

The following section provides a summary of the budget including an overview of the Operating and Capital Budgets along with summary budget schedules, historical overview of citywide budget data, debt service, personnel, and fund services.



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Budget Policies



The budgetary policies specified below provide a general framework of goals and objectives for the operating budget, debt management, financial reserves, financial reporting and the capital budget. Strong policies provide a standard against which current budgetary performance can be measured and proposals for future programs evaluated.

Operating Budget Policies

Current revenue will be sufficient to support current operating expenditures.

- **Status:** *FY 2008-09 estimated General Fund operating revenue (\$184.4 million) to expenditures (\$186.3 million) Ratio .99:1*

Financial systems will be maintained to monitor expenditures, revenue and program performance on an ongoing basis.

- **Status:** *Ongoing monitoring system with monthly reviews including automated payment and purchase requisition system*

Revenue and expenditures will be projected for the next five years and will be updated annually.

- **Status:** *Projections completed in Comprehensive Financial Plan (Winter 2007 Update)*

Debt Management Policies

Long-term debt will not be issued to finance current operations.

- **Status:** *None issued to finance current operations*

Debt Service Reserve will be maintained at a minimum of 8% of total outstanding general governmental debt.

- **Status:** *FY 2008-09 10.3%*

Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

- **Status:** *The following debt issues are planned for FY 2008-09 with a 20 year debt amortization period: \$5.7 million for police and fire projects; \$10.4 million for transportation projects; \$14.0 million for parks, community services, and facility rehabilitation projects; \$63.6 million for water and wastewater projects*

Capital Budget Policies

As required by City Charter, a five-year capital improvements program will be developed and updated annually, including anticipated funding sources.

- **Status:** *FY 2008-09 Annual CIP budget of \$168.0 million adopted representing the first year of a 5-year, \$473.4 million CIP program*

The City will coordinate development of the capital improvements budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

- **Status:** *FY 2008-09 operating and maintenance impact of new capital projects is estimated at \$5,891,477*

The City will maintain all its physical assets at a level adequate to protect its capital investment and to minimize future maintenance and replacement costs.

- **Status:** *Aggressive capital maintenance program approved in Capital Improvements Program budget, including City facilities rehabilitation, local and major street reconstruction, and neighborhood park improvements*



The City will establish an appropriate mix of bonded debt and pay-as-you-go financing in the funding of capital projects.

- **Status:**

Sources of Funds	
(\$ Millions)	FY 2008-09
General Obligation/Excise Tax Bonds	\$97.4
Pay-As-You-Go Financing	18.3
Outside Revenue	43.7
Capital Projects Fund Balance	8.6
Total Sources of Funds	\$168.0

Financial Reserve Policies

The City will continue its healthy financial reserve position. Unreserved fund balance coverage for the General Fund will be maintained at a minimum of 25% of General Fund revenue.

- **Status:**

Unreserved Fund Balance FYE 07	Revenue FY 2006-07	Unreserved Fund Balance Coverage
\$43.3 M	\$160.5 M	30.0%
Estimated Unreserved Fund Balance FYE 08	Revenue FY 2007-08	Unreserved Fund Balance Coverage
\$45.5 M	\$172.6 M	26.4%
Estimated Unreserved Fund Balance FYE 09	Revenue FY 2008-09	Unreserved Fund Balance Coverage
\$47.6 M	\$184.4 M	25.8%



The City will maintain an unreserved fund balance of no less than 12 months of anticipated revenue in the Water/Wastewater Fund, and a minimum of 10% and 15% of anticipated revenue in the Solid Waste and Golf funds, respectively.

- **Status:**

	Unreserved Fund Balance FYE 07	Revenue FY 2006-07	Unreserved Fund Balance Coverage	Days Coverage
Water/Wastewater	\$55.6 M	\$50.0 M	111.2%	406
Solid Waste	\$4.9 M	\$14.0 M	35.0%	128
Golf	\$0.4 M	\$1.9 M	21.1%	77
	Estimated Unreserved Fund Balance FYE 08	Revenue FY 2007-08	Unreserved Fund Balance Coverage	Days Coverage
Water/Wastewater	\$43.7 M	\$50.8 M	86.0%	314
Solid Waste	\$3.6 M	\$15.0 M	24.0%	88
Golf	\$0.3 M	\$2.1 M	14.3%	52
	Estimated Unreserved Fund Balance FYE 09	Revenue FY 2008-09	Unreserved Fund Balance Coverage	Days Coverage
Water/Wastewater	\$24.9 M	\$53.0 M	47.0%	176
Solid Waste	\$3.3 M	\$15.0 M	22.0%	80
Golf	\$0.3 M	\$2.1 M	14.3%	52

The Water/Wastewater Unrestricted Fund Balance is projected to fall below the policy goal due to a planned drawdown of retained earnings to finance pay-as-you-go capital improvement projects, and to facilitate the phasing in of new user rate increases beginning in 2008. As new rates are phased in, the need to use retained earnings will be eliminated, and the fund balance will gradually build back to a level which will comply with financial policy.

Self-insurance reserves shall be maintained at a level which, together with purchased insurance policies, adequately indemnify the City's assets.

- **Status:** *FY 2008-09 \$8.8 million in self-insurance reserves*

Financial Reporting Policies

The City's accounting and financial reporting systems will be maintained in conformance with current accepted principles and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

- **Status:** *GFOA Certificate of Achievement for Excellence in Financial Reporting and GFOA Distinguished Budget Presentation Award with Special Performance Measures Recognition*

Full disclosure will be provided in the general financial statements and bond presentations.

- **Status:** *Notes to the financial statements and official bond statement provide full disclosure*

An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official annual financial statement.

- **Status:** *Unqualified independent audit report*



Financial Stability

Several steps were taken to ensure our continued financial stability. These recommendations, listed under the Financial Action Plan in the Comprehensive Financial Plan, include the following steps:

- Prepared the **Long-Range Forecast** for all funds projecting revenue and expenditures over the next five years.
- Convened **Ad Hoc Long-Range Budget and Finance Planning Committee** to balance budget by reducing expenditures and generating new revenue.
- Submit **Retiree Health Care** (OPEB) issue to OPEB Ad Hoc Committee for review.
- Building on the **Benchmarking Program**, incorporating recommended benchmarks from the Governmental Accounting Standards Board Service Efforts and Accomplishments Reporting program, International City/County Management Association Performance Measures, and citywide internal and external benchmarking programs to assist in public accountability and continuous improvement in the efficiency, quality, and outcomes of work processes and services.
- Continue citywide **Competitive Analyses** to evaluate and improve service delivery while enhancing accountability to the residents.
- **Strategic Issues Program** implemented to identify and prioritize key strategic issues, leading to incorporation of recommended corresponding strategies and goals into the budget process.
- Continue **Financial Policy Implementation and Monitoring**.
- **Expenditure Control** will be directed at slowing growth by means of citywide line item reviews, modified base budget approach, and program sunseting.
- **Limit Midyear Adjustments** which circumvent the normal budget process and pose a risk to careful long-range financial planning.
- Continue efforts in coalition with the League of Arizona Cities and Towns to help **Protect State Shared Revenue** from legislative changes at the state level.
- **Review Benefits Program** to explore such options as increasing deductibles, requiring greater participant contributions and/or modifying our benefits cafeteria programs.

Council Budget Tenets

- Continue the modified base budget implemented at the start of the budget process, incorporating historical spending patterns, program cost adjustments, and long-range forecasts in the preparation of budget allocation targets, thereby limiting the rate of budgetary growth.
- Continue to evaluate our self-supporting enterprise operations on an annual basis for rate changes.
- Continue to re-examine current programs, re-engineering processes and evaluate the competitiveness of City services as necessary.
- Continue to identify and address Council's strategic issues.
- Continue periodic budget reviews with the City Council.
- Continue examination of current programs by each department for potential sunseting opportunities.

Fund Summary



Impact of budget decisions on the City's financial position:

The table below gives the estimated Operating and Capital Improvement unreserved fund balances for the 2008-09 fiscal year. Beginning balances total \$195.1 million and the ending fund balances are estimated at \$154.5 million. The decreases in fund balances reflect planned drawdowns primarily for "pay-as-you-go" financing. This financing is critical to the City's Capital Improvement Program to fund projects that have the most value to Tempe residents. The Transit fund's \$17.6 million transfer out is primarily for multi-use paths, light rail, bus expansions and a parking structure.

Rio Salado's negative fund balance is due to planned drawdowns to fund operating and capital expenses. Also, the FY 2008-09 estimated shortfall will be absorbed by the Rio Salado and Community Facilities District reserves which have a current balance of \$5.7 million.

Drawdowns of fund balances for the Cemetery, Performing Arts, Golf, and Water/Wastewater operations are consistent with their financial plans and include expenses for debt, capital outlay, and mandatory environmental compliance.

FY 2008-09									
Fund	Estimated Fund Balance 6/30/08	Revenue	Total Financial Resources	Budgeted Expenditures	Adjusted Financial Resources	Other Financing Sources	Interfund Transfer In	Transfer (Out)	Estimated Fund Balance 6/30/09
General	\$45,525,498	\$184,199,860	\$229,725,358	\$186,327,945	\$45,497,413	\$2,128,085 ¹			\$47,625,498
Special Revenue:									
HURF/LTAF	10,073,297	14,048,747	24,122,044	11,119,454	15,102,590			(2,770,000)	12,332,590
CDBG/Section 8		11,026,195	11,026,195	11,026,195	11,026,195				11,026,195
Rio Salado	(656,723)	1,550,804	894,081	2,467,828	(1,573,747)				(1,573,747)
Performing Arts	12,911,716	7,596,956	20,508,672	8,965,354	11,543,318				11,543,318
Transit	39,704,603	53,073,726	92,778,329	64,370,597	28,407,732			(17,621,942)	10,785,790
Debt Service	27,073,322	24,613,823	51,687,145	23,180,569	28,506,576		2,770,000		31,276,576
Enterprise:									
Cemetery	(537,691)	451,722	(85,969)	385,303	(471,272)				(471,272)
Golf	326,030	2,072,379	2,398,409	2,108,511	289,898				289,898
Solid Waste	3,602,711	14,990,105	18,592,816	15,245,709	3,347,107				3,347,107
Water/Wastewater	43,745,447	53,041,440	96,786,887	71,242,018	25,544,869			(679,540)	24,865,329
TOTAL OPERATING	181,768,210	366,665,757	548,433,967	396,439,483	151,994,484	2,128,085	2,770,000	(21,071,482)	152,047,282
Capital Improvements ²	13,323,177	141,946,344	155,269,521	168,033,325	(12,763,804)		18,301,482		5,537,678
TOTAL FUNDS	\$195,091,387	\$508,612,101	\$703,703,488	\$564,472,808	\$139,230,680	\$2,128,085	\$21,071,482	\$(21,071,482)	\$156,584,960

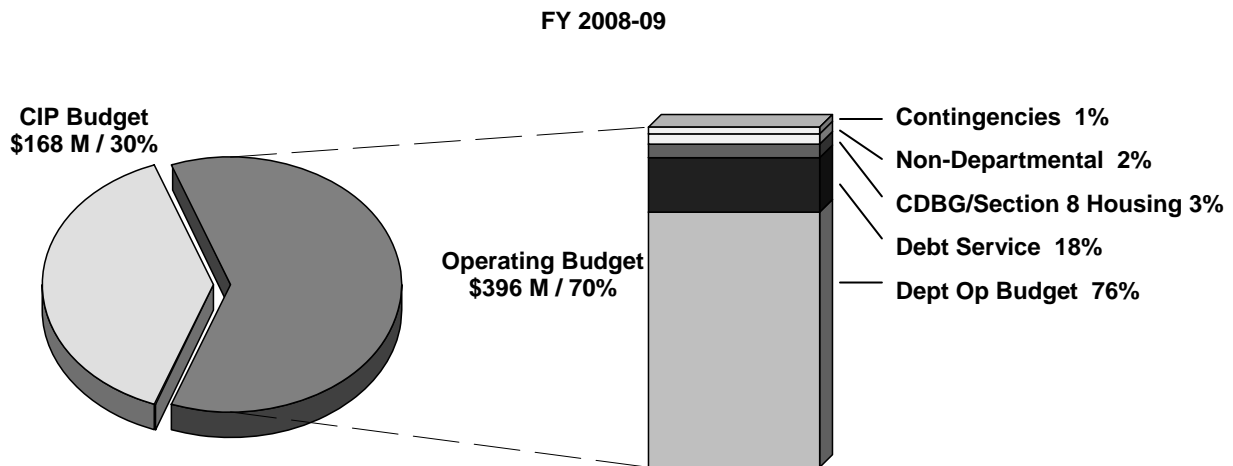
¹ Represents a planned drawdown of the Rainy Day Reserve

² Capital Improvements line includes Capital Improvements Reserves

Total Financial Program



The Total Financial Program adopted for FY 2008-09 is \$565 million, representing a 0.6% increase from the FY 2007-08 Total Financial Program. The FY 2008-09 amount includes an Operating Budget of \$396 million and a \$168 million Capital Budget. The operating budget growth of 11.6% in FY 2008-09 is related primarily to an increase in employee salary progression, public safety retirement, additional bus route service and light rail operation, and additional midyear personnel additions. The 21.0% decrease in the Capital Budget is largely attributed to the completion of light rail design and construction.



Total Financial Program		
	FY 2007-08	FY 2008-09
OPERATING BUDGET		
Departmental Operating Budget	\$265,625,763	\$302,871,661
Debt Service	64,240,431	72,100,332
Non-Departmental	9,274,500	7,605,859
Contingencies	5,129,436	2,835,436
CDBG/Section 8 Housing	11,016,572	11,026,195
TOTAL OPERATING BUDGET	\$355,286,702	\$396,439,483
TOTAL CAPITAL BUDGET	\$212,706,469	\$168,033,325
TOTAL FINANCIAL PROGRAM	\$567,993,171	\$564,472,808

Financial Program Summary



The following tables summarize the revenues and expenditures for the City's Financial Program.

REVENUE		
Operating Revenue		
	FY 2007-08	FY 2008-09
General Governmental		
Local Taxes/Licenses	\$126,343,034	\$124,812,733
Intergovernmental	48,496,600	47,959,311
Charges for Services	11,463,351	11,212,246
Interest	5,424,874	6,939,071
Fines & Forfeitures	7,271,553	9,397,789
Other	2,670,282	8,492,533
Special Revenue		
Transit	44,667,414	53,073,726
Highway User Revenue Fund	12,497,060	13,545,047
CDBG/Section 8 Housing	11,016,572	11,026,195
Performing Arts	8,077,567	7,596,956
Rio Salado	1,358,770	1,550,804
Lottery Funds	514,000	503,700
Enterprise		
Water/Wastewater	50,751,164	53,041,440
Solid Waste	14,450,403	14,990,105
Golf	2,038,205	2,072,379
Cemetery	120,000	451,722
Subtotal Operating Revenue	\$347,160,849	\$366,665,757
Capital Revenue		
Bonds		
Water/Wastewater	52,641,000	63,594,000
Excise Tax	56,679,557	50,000
Tax-Supported General Obligation	39,215,396	33,770,407
CIP Outside Revenue		
Federal Funds	28,124,405	22,687,366
Development Fees	2,500,000	2,500,000
Other	33,546,111	45,431,552
Subtotal Capital Revenue	\$212,706,469	\$168,033,325
TOTAL PROGRAM	\$559,867,318	\$534,699,082

The difference between revenue and expenditures is due to planned drawdowns of the Rainy Day Reserve and various fund balances, including Transit, Performing Arts, Rio Salado, Water/Wastewater and Golf.

Rate increases for water, wastewater and solid waste will partially or fully offset the differences between revenues and expenditures.

EXPENDITURES		
Operating Budget		
	FY 2007-08	FY 2008-09
General Governmental		
Public Safety	\$92,584,925	\$107,432,947
General Services	35,614,263	33,693,824
Community Services	30,428,786	31,252,481
Debt Service	17,513,497	23,180,569
Development Services	13,413,017	12,913,693
Transportation		
(Maintenance of Effort)	870,000	1,035,000
Environmental Health	237,864	
Special Revenue		
Transit	51,893,704	64,370,597
Highway User Revenue Fund	10,297,962	11,119,454
Performing Arts	8,598,850	8,965,354
Section 8 Housing	8,702,388	8,856,767
CDBG	2,314,184	2,169,428
Rio Salado	2,078,346	2,467,828
Enterprise		
Water/Wastewater	63,890,154	71,242,018
Solid Waste	14,380,842	15,245,709
Golf	2,078,836	2,108,511
Cemetery	389,084	385,303
Subtotal Operating Budget	\$355,286,702	\$396,439,483
Capital Budget		
General Purpose		
Police	17,243,022	6,261,249
General Government	16,544,134	2,718,000
Park Improvements	10,388,724	10,138,875
Fire	3,863,798	5,312,020
Community Services	4,336,134	5,211,938
Storm Drains	250,000	250,000
Special Purpose		
Transit	94,585,115	52,304,506
Rio Salado	4,012,100	5,971,361
Enterprise		
Water	29,391,000	47,529,000
Wastewater	25,750,000	20,425,000
Golf	50,000	50,000
Transportation		
Streets	9,103,576	10,236,376
Street Lighting & Traffic Signals	1,525,000	1,625,000
Subtotal Capital Budget	\$212,706,469	\$168,033,325
TOTAL PROGRAM	\$567,993,171	\$564,472,808

Financial Program Summary for Revenues and Expenditures/Expenses



Total budgeted revenue in the FY 2008-09 Financial Program are nearly equivalent to the actual amount collected in FY 2006-07. This is due primarily to a smaller Capital Budget in FY 2008-09 being offset by increases in operating funds. Total budgeted expenditures have increased during this period, largely due to the influence of pay-as-you-go capital financing in the Water/Wastewater Fund and the Transit Fund. The difference between total revenue and total expenses represents planned drawdowns of fund balance for capital program needs as well as a one-time transfer from the Rainy Day Reserve in FY 2008-09.

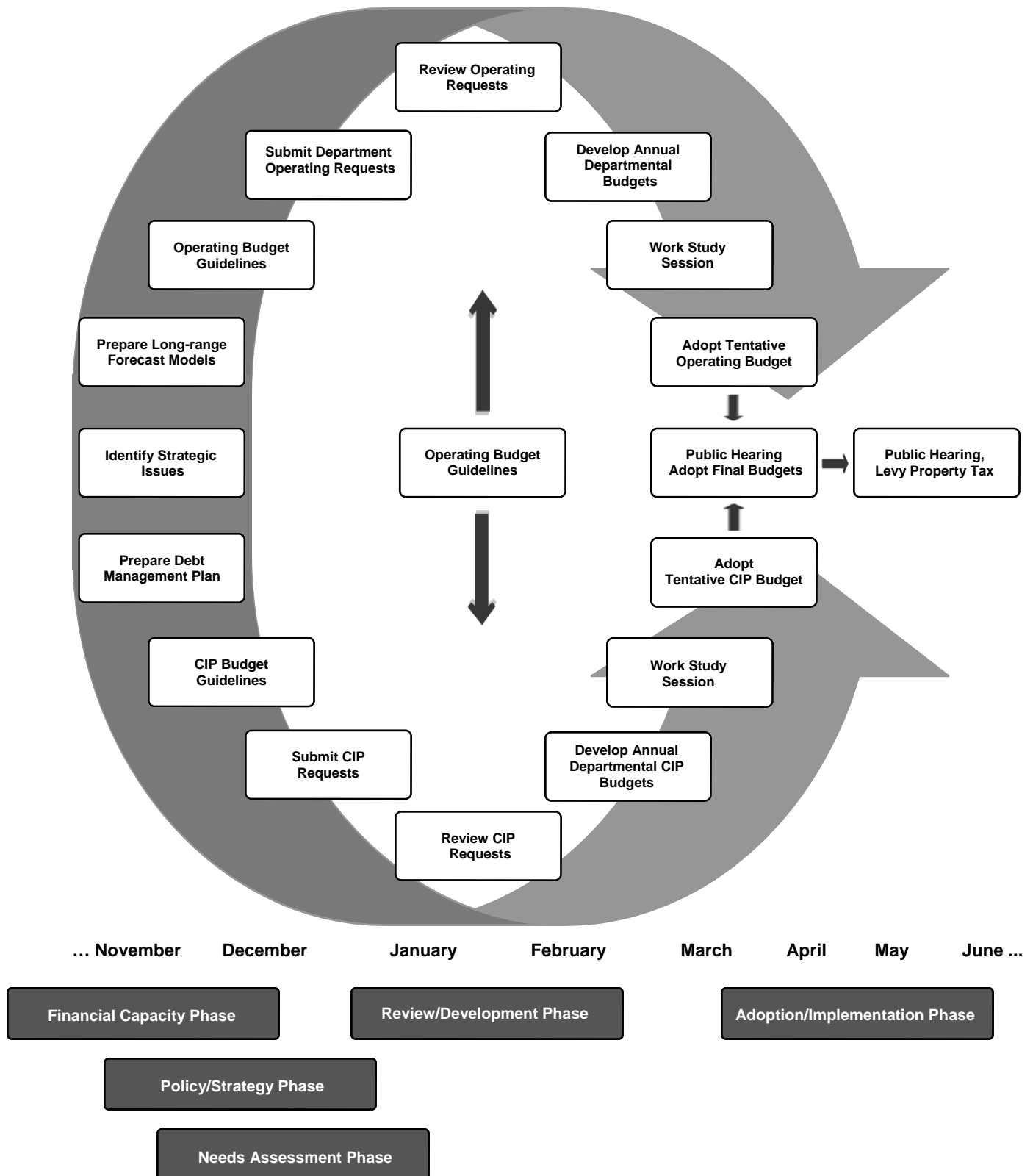
Revenue/Sources	FY 2006-07 Actual	FY 2007-08 Budget	% Change	FY 2007-08 Revised	% Change	FY 2008-09 Budget	% Change
General Fund	171,708,457	179,417,531	4%	172,565,758	-4%	184,199,860	6.7%
Special Revenue Funds	80,928,039	78,131,383	-3%	76,293,234	-2%	87,296,428	14.4%
Enterprise Funds	65,734,847	67,359,772	2%	67,653,668	0%	70,555,646	4.3%
Debt Service Fund	17,412,445	22,252,163	28%	22,127,214	-1%	24,613,823	11.2%
Capital Projects Fund	193,117,376	212,706,469	10%	212,706,469	0%	168,033,325	-21.0%
Total	\$528,901,164	\$559,867,318	6%	\$551,346,343	-2%	\$534,699,082	-3.0%

Expenditures/Uses	FY 2006-07 Actual	FY 2007-08 Budget	% Change	FY 2007-08 Revised	% Change	FY 2008-09 Budget	% Change
General Fund	162,925,975	173,148,855	6%	170,296,557	-2%	186,327,945	9%
Special Revenue Funds	64,633,848	83,885,434	30%	81,988,985	-2%	97,949,428	19%
Enterprise Funds	62,273,166	80,738,916	30%	78,655,016	-3%	88,981,541	13%
Debt Service Fund	29,674,024	17,513,497	-41%	15,556,608	-11%	23,180,569	49%
Capital Projects Fund	193,117,376	212,706,469	10%	212,706,469	0%	168,033,325	-21%
Total	\$512,624,389	\$567,993,171	11%	\$559,203,635	-2%	\$564,472,808	1%

Budget Process Flowchart



The following flowchart depicts the City of Tempe's Annual Budget process and timeline.





Budget Process Overview

Budget preparation allows departments the opportunity to reassess goals and objectives and the means for accomplishing them. Even though the budget is heard by the Mayor and Council in the spring and adopted by June 30, its preparation begins at least six months prior with projections of City reserves, revenue, expenditure limit requirements, and financial capacity. It is with this "groundwork" that departmental expenditure requests are made and subsequently reviewed.

- **Financial Capacity Phase**

Forecasting is an integral part of our decision-making process. Both long-range and short-range projections are prepared. The City's Comprehensive Financial Plan is updated annually to assess our current financial condition and future financial capacity, given our long-range plans and objectives. A five-year financial forecast is prepared for each major fund, projecting both expenditures and revenue. As a part of this phase, alternative scenarios are examined for their fiscal impact on each respective fund.

Concurrent with the Comprehensive Financial Plan is the update of the Debt Management Plan, which provides a ten-year view of the City's debt capacity. This planning process gauges the capacity to incur debt in the upcoming Capital Improvement Program given the City's Financial Policy guidelines.

- **Policy/Strategy Phase**

The Council's goals and directives set the tone for the development of the budget. In fact, shortly after the budget is adopted, the Council meets to identify strategic priorities, issues, and projects impacting the next fiscal year's budget. The Council identifies key strategic issues that will provide the direction and framework for the budget. It is within this general framework that departmental supplemental requests are formulated. Aside from the Council's own objectives, the departments identify and discuss their own policy issues with the City Manager.

Presentations by Budget Office staff at "budget kickoff" meetings include a discussion of citywide goals and objectives, budgeting guidelines for the operating and capital budgets, timelines, an overview of fiscal constraints, and resources available for allocation. The Budget Manual distributed at these meetings is designed to assist the departments in preparing all budget requests and forms.

- **Needs Assessment Phase**

The departments have an opportunity to assess

current conditions, programs, and needs.

Examination of current departmental programs or positions for possible trade-offs, reduction, or elimination is strongly suggested. During this phase, departments are encouraged to thoroughly review all programs and services, assessing their value and priority to the citizens of Tempe. Additionally, departments reassess service level standards and workload indicators. They then attempt to provide the "best fit" of resource allocation with service and workload estimates. From this process, they prepare preliminary departmental budgets.

- **Review/Development Phase**

Within the framework of the City's financial capacity, Council and City Manager priorities and departmental needs assessments, budget requests are reviewed and a preliminary Citywide operating budget takes shape. The departments initially prepare and submit base budget worksheets reflecting allocation targets. The amount of the allocation is based on the department's prior year budget.

Supplemental requests are evaluated and the budget is presented at various levels: (1) base budget level, and (2) recommended level providing monies to implement new programs or expand existing City programs.

- **Adoption/Implementation Phase**

Prior to May 1, the City Manager submits to the Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

The property tax levy must be adopted by the third Monday in August. State law requires cities and towns with property taxes to adopt their tax rates annually.

Management control of the budget is maintained by conducting monthly budget performance reviews throughout the fiscal year. They are aimed at examining expenditure patterns, and recommending corrective action to be taken during the year.

Additionally, records are maintained to evaluate ongoing programs and services.

- **Budget Roles and Responsibilities**

Every employee plays a role in budgeting, be it formulation, preparation, implementation, administration, or evaluation. Ultimately, of course, the department head, through the City Manager, is accountable to the City Council for the performance of departmental personnel in meeting specific objectives within resource allocation limits. Actual

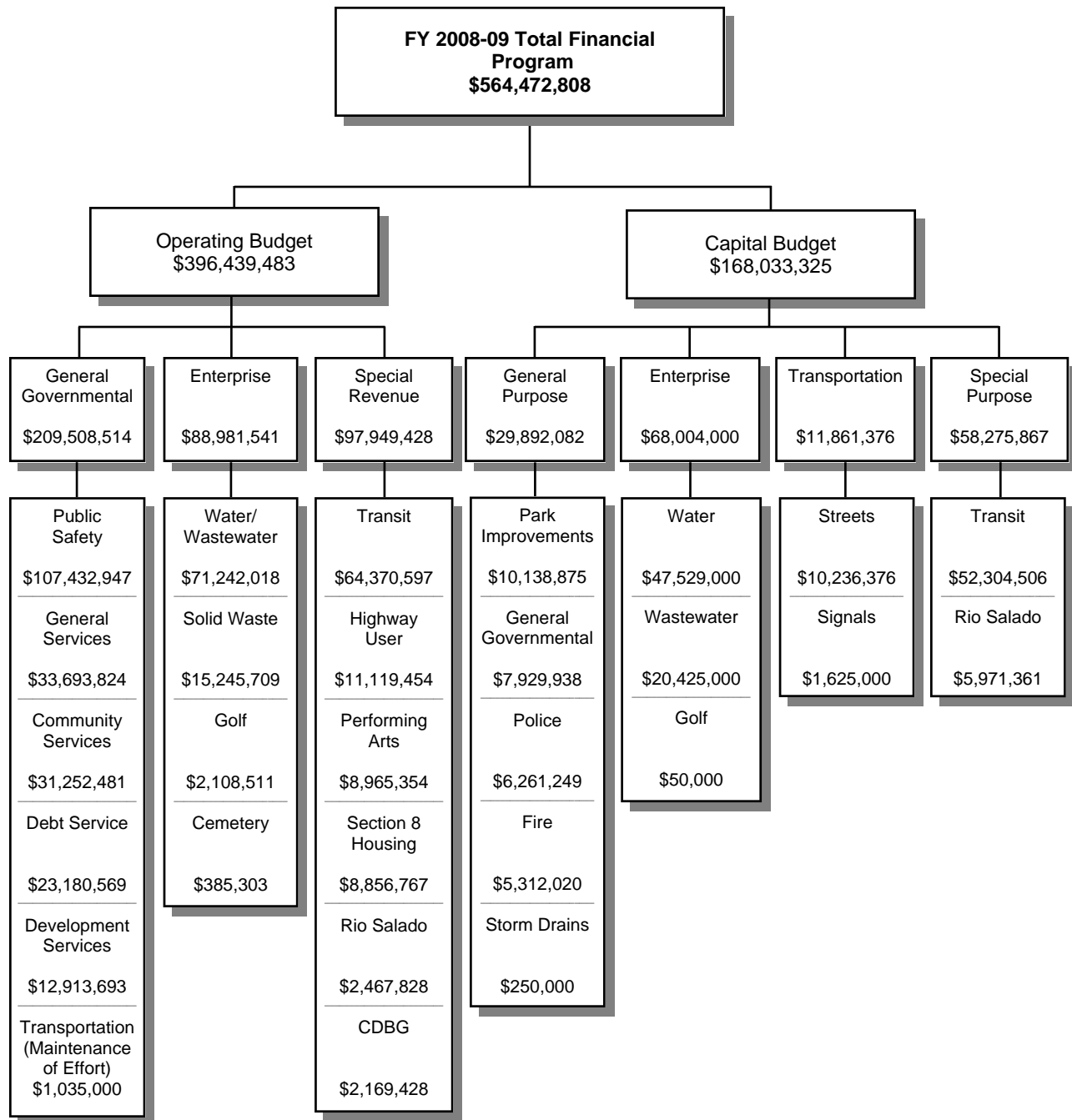


budget preparation responsibility can be identified more specifically:

1. The program **cost center manager** is responsible for (a) preparing cost estimates for the remainder of the current fiscal year; (b) projecting base budget requirements for the next year; and (c) developing other requests that change or revise the program so that it will be more effective, efficient, productive and economical.
2. The **department manager** and the **division administrator** are responsible for reviewing, modifying and assembling their cost center data into a departmental request package. Department heads should critically evaluate departmental objectives and prioritize requests. The preparation of budget requests, goals and objectives should coincide with the strategic issues set forth by the Council.
3. **Internal Service Areas** (Fleet and Information Technology Areas) will contact each department to coordinate the initial needs assessment, cost estimates, and recommendations. Replacement equipment (i.e., vehicles, hardware/software and communication equipment) will be submitted to the Budget Office by the Internal Service areas. Any new equipment required by the departments should reflect the cost estimates and recommendations from the Internal Service areas and submitted by the departments to the Budget Office. Final review and recommendations for hardware/software and communication equipment will be the result of evaluating priorities within the departmental budget team process.
4. The **Budget Administrator and Analysts** within the Financial Services Department are responsible for (a) preparing short and long-range revenue and expenditure forecasts, (b) assisting departments as requested in the preparation of supplemental requests, (c) analyzing supplemental requests and presenting that analysis to the Budget Team (Department Managers and the Financial Services Manager), and (d) reviewing the linkage between budget requests and the City's strategic issues.
5. The **Budget Team** is responsible for reviewing departmental operating requests within the context of a set of evaluation criteria and preparing a recommended budget for review by the City Manager.
6. The **Capital Improvement Program Executive Committee** reviews program scopes, cost estimates and funding sources of CIP requests and prepares a recommended CIP budget for review by the City Manager.
7. The **City Council** is responsible for the review of the City Manager's tentative budget and approval of a final budget.
8. **Transfer of Appropriations**; at any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency (**Section 5.08, City of Tempe Charter**).
9. **Midyear Program/Personnel Adjustment Request**; should the need arise for additional personnel or program enhancements during the fiscal year to meet some unforeseen need, a midyear program/personnel request is submitted to the Budget Office for a needs assessment and fiscal impact review. If, after evaluation, the request is approved and involves either additional personnel or the abolition of a position(s), the request is forwarded to either the relevant Council Committee or full Council with recommended action.
10. **Budget Transfers**; the department should process a budget transfer request form anytime a shortfall is anticipated in a departmental subtotal budget. Budget transfers are not necessary to address a shortfall within summary account groups as long as sufficient monies are available in the subtotal departmental budget. The subtotal budget includes salaries and wages, fringe benefits, materials and supplies, fees and services, travel and other expenses, contributions, and capital outlay, and excludes internal services.

Only as a last resort are contingency monies used to fund a shortfall. Alternative courses of action should be sought before contingency monies will be considered. Purchase orders and requisitions will be held until the budget shortfall is addressed.
11. **Permission to Exceed Budget**; in the event of an emergency, the Council may seek permission from the State Board of Tax Appeals (previously State Tax Commission) to exceed the adopted budget (**Section 5.09, City of Tempe Charter**).

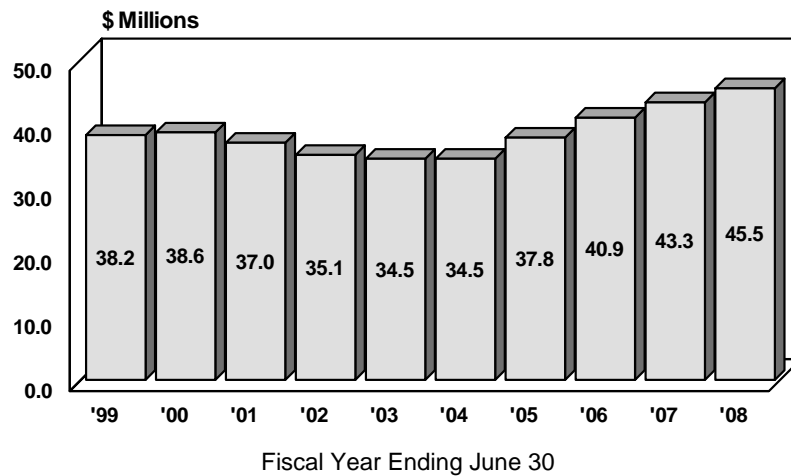
Components of Total Financial Program



General Governmental Funds: Ten Year Fund Balance Trends

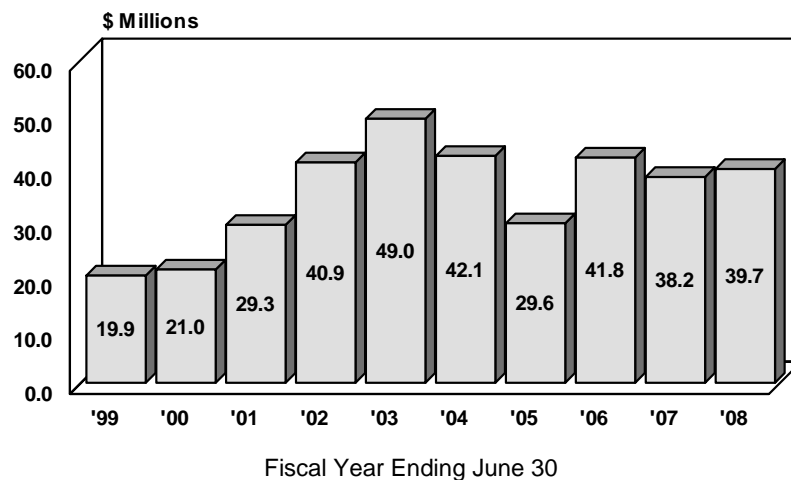


General Fund Unreserved Fund Balance



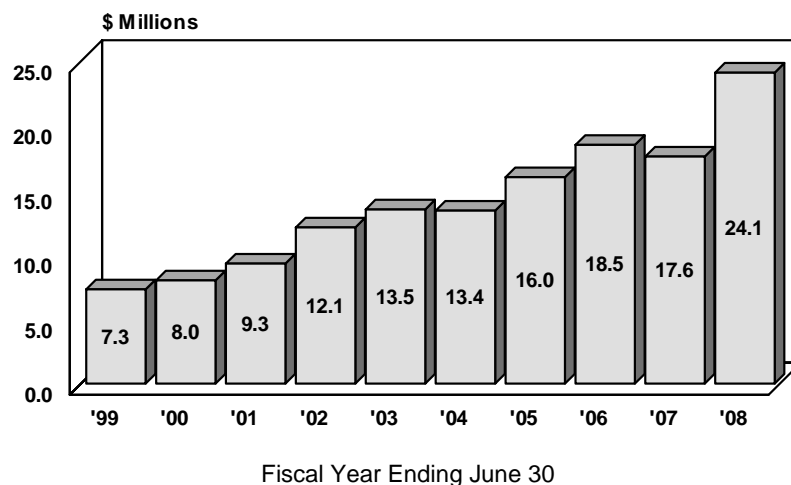
Over the ten year period, unreserved fund balances in the General Fund have been maintained at the policy guideline of 25% of revenue. At FYE 2008, the General Fund unreserved fund balance is estimated at \$45.5 million. This projected 5% increase is primarily the result of state income tax collections.

Transit Fund Balance



During the late 1990's the Transit Fund balance was built up in preparation for the construction and operation of the Light Rail Transit system. More recently, planned drawdowns of fund balance for use in the Capital budget have contributed to the declining fund balance.

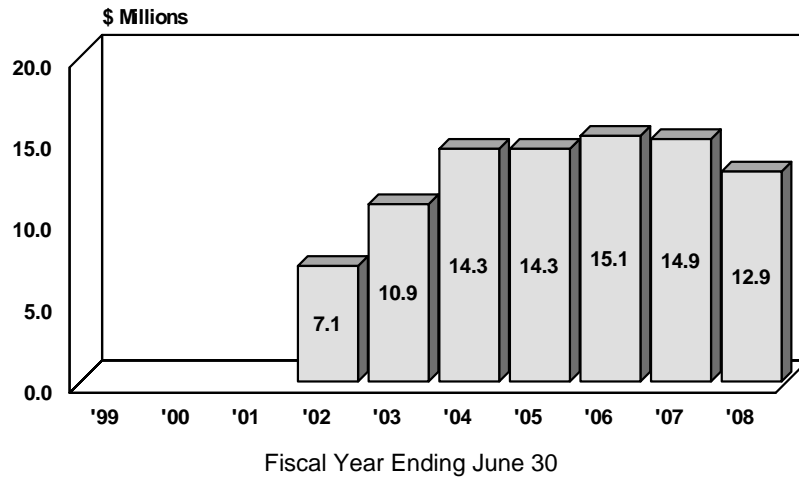
Debt Service Fund Balance



The Debt Service reserve was established a number of years ago to address increasing debt service payments without impacting future operating budgets.

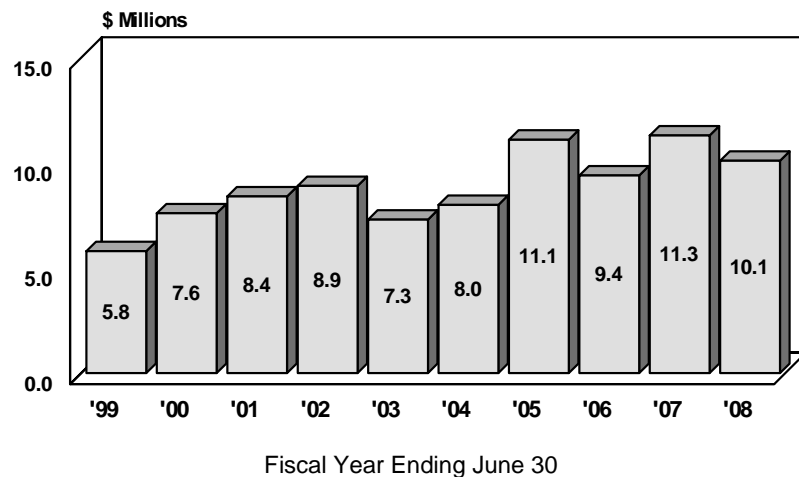


Performing Arts Fund Balance



Since the fund's inception in FY 2001-02, the fund balance steadily grew through FY 2005-06. Beginning in FY 2006-07, the fund has been tapped to cover differences between revenues and expenditures. This trend is consistent with the fund's financial plan.

Highway User Revenue/Local Transportation Assistance Fund Balances

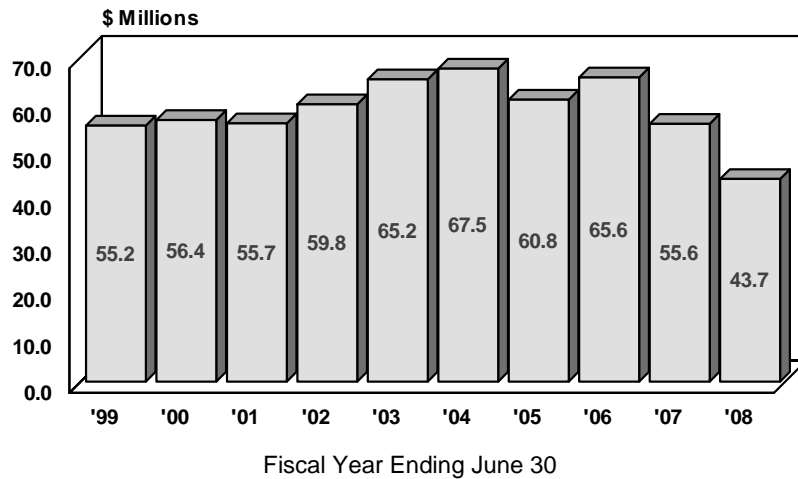


Planned drawdowns used to fund street infrastructure projects have contributed to the inconsistent trend in fund balances. The primary revenue source for these funds, state shared revenue, has grown at a modest pace, allowing the fund balance to rebound to a healthy level.

Enterprise Funds: Ten Year Fund Balance Trends

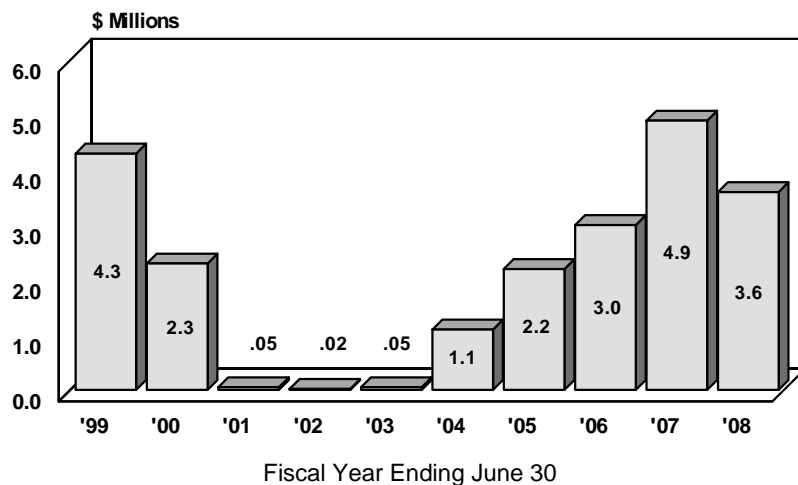


Water/Wastewater Fund Unreserved Retained Earnings



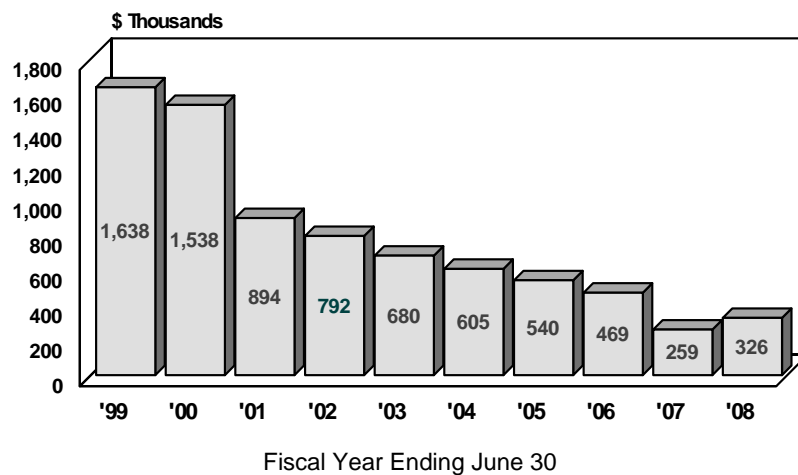
Between FY 2005-06 and FY 2007-08, a planned drawdown of retained earnings was utilized to finance pay-as-you-go capital improvement projects and to alleviate user rate increases. The continued use of these monies is projected to bring the fund balance below the City's Financial Policy target level of an amount equal to one year of the department's operating revenue; phased implementation of increases to user rates in 2008 will gradually build the fund balance.

Solid Waste Fund Unreserved Retained Earnings



A planned drawdown of unreserved retained earnings began in FY 1999-00, which resulted in the reserve's depletion to \$20,000 in FY 2001-02. Since then, fee increases have been implemented to restore the fund balance to meet the new financial guideline of a minimum of 10% of anticipated revenue.

Golf Unreserved Retained Earnings



Expense growth has outpaced revenue growth since FY 1999-00, leading to the decline in reserves. Based on the Long-Range Financial Forecast, this trend is not expected to reverse itself under the current operating plan. Therefore, a comprehensive study of Golf operations is ongoing.



Purpose

The purpose of a Strategic Issues Management/Budgeting program for Tempe is to provide a mechanism for identifying, prioritizing, and managing top priority emerging issues which require interdepartmental coordination and to provide a process for integrating strategic planning and budgeting. The City Council identifies strategic issues (shown on following page) setting the tone at the start of the budget process. The process allows a prioritization of emerging issues, yielding specific priorities and plans which have multiyear operational and budget implications.

Strategic Issues Management/Budgeting Process		
Activity	Responsibility	Timeframes
Identify and prioritize key goals that each Council Committee wants to achieve and see further progress on for the upcoming budget year. Incorporate goals into Council Committee's work plan.	City Council	August Council Summit
Establish cross-functional teams and/or standing groups to advance each goal identified and develop action plans for each.	City Manager Executive Team	August
Identify and recommend corresponding strategies, action plans, and/or departmental activities to further bring improvement and/or results to goals identified by each committee.	Cross-functional Teams	September/October
Review strategies, action plans, and or departmental activities recommended by the cross-functional team/groups with the Executive Team.	Staff Coordinators Executive Team	Late October, early November Executive Summit
Review strategies/action plans associated with goal with oversight Council Committee for recommendations in conjunction with the Committee's work plan.	City Council Committee	Mid/late November
Review strategies, action plans, responsibilities, and associated Council Committee work plan with City Council.	Staff Coordinator City Council	December/January
Incorporate approved goals, strategies, and action plans into operating and capital improvement budget program and structure budget requests.	Executive Team	December/January
Consider budget requests from departments (based on goals and action plans).	City Council Executive Team	February
Evaluate status of goals and action plans with management team (midyear review).	City Council Executive Team	February (midyear review)
Evaluate budget requests and allocate budget resources accordingly.	Executive Team	March/April
Conduct public sessions on operating and capital improvement budget program.	City Council Executive Team	April/May
Adopt budget program.	City Council	June
Review results of goals and action plans established for the fiscal year just completed. Begin process anew for the next budget period.	City Council Executive Team	August Council Summit



Education, Technology and Economic Development

Address opportunities for improvement of education programs for all ages, attracting and advancing technology development and assessing economic development approaches. Work Plan includes (1) facilitate partnering between all educational entities and the City; (2) facilitate development of programs to improve schools; (3) facilitate and develop services to provide life-long learning opportunities; (4) develop and provide City services through school facilities; (5) identify and facilitate resources sharing between all elementary and high schools, Arizona State University, Maricopa Community College District and the City (6) facilitate ASU's and Maricopa Community College District's participation in education improvement in all Tempe schools, (7) identify and consolidate purchasing and maintenance programs between the City and educational agencies; (8) identify and facilitate joint facilities develop for schools-resident use; (9) expansion of the use and availability of technological enhancements by City Government and Tempe residents; (10) facilitate the development of high-technology, biotechnology and nanotechnology facilities within Tempe; (11) development, implementation and assessment of economic development approaches, projects and proposals; and (12) redevelopment and development services policy formation and implementation of council-approved projects.

Finance, Economy and Veterans' Affairs

Address finance, real estate and economic development issues. Work Plan includes (1) policy formation, implementation and assessment of finance and budget plans; (2) policy formation, implementation and assessment of employment policies regarding range adjustment programs, benefits and other employment finance issues; (3) policy formation, implementation and assessment of financial analysis of and solutions to meet requirements of OPEB accounting disclosures; (4) redevelopment and development services policy formation and implementation of council approved projects; (5) development, implementation and assessment of economic development approaches, projects and proposals; (6) development and implementation of veterans outreach programs and efforts; and (7) golf program operations and capital improvement programs for enhancing and stabilizing golf program revenues and expenses.

Public Safety and Neighborhood Quality of Life

Address neighborhood public safety and property enhancement standards. Work Plan includes (1) assess and develop public safety resources; (2) identify and address neighborhood quality of life issues; and (3) address impacts of Arizona State University on neighborhoods.

Social Services and Culture

Promote cultural and social service related programs and capital improvement projects. Work Plan includes (1) strengthen, promote and develop Community Service facilities and programs that serve the public; (2) strengthen and promote the development of Historical Properties; (3) promote and encourage the development of the Arts programming in Tempe; and (4) review and assess programs and services administered through and with the Tempe Community Council; (5) review and examine the coordination and implementation of services targeted at moving individuals from homelessness to home ownership.

Tourism and Recreation

Address tourism and amateur sports opportunities. Work Plan includes (1) identify and work with top decision makers to bring meetings and conferences to Tempe and attract additional facilities and hotels to Tempe; (2) develop, implement and execute plans for Insight Bowl in Tempe; (3) work with ASU to enhance and expand community use of ASU facilities for cost effective youth and amateur sports programs; (4) enhance Spring Training and capture community benefits from Diablo Stadium improvements and presence of Los Angeles Angels of Anaheim; (5) continue efforts to bring sporting events to Tempe; (6) improve regional parks; and (7) improve city-wide recreation programs.

Transportation, Housing and Environment

Address transportation, affordable housing and environment programs. Work Plan includes (1) ensure that light rail transit design and construction activities meet community needs; (2) increase transit ridership; (3) coordinate local and regional transportation decisions; (4) assure that safe and effective movement of people and vehicles along the street system; (5) recognize and encourage pedestrian and bicycle travel as an important part of the transportation system; (6) expand community partnerships; (7) explore regulatory-based incentives for the development affordable housing and implementation of inclusionary housing programs; (8) develop an affordable housing strategy to guide the City's overall efforts in creating and maintaining affordable housing; (9) seek to create new affordable housing programs and evaluate existing programs; (10) provide a forum for dialog with the community to understand the needs of affordable housing throughout the City; (11) encourage additional funding and continued support of the HOPE program; (12) form interdepartmental Sustainability Task Force.

Central City Development Committee of the Whole

Address continuing development of the Rio Salado project, Papago Salado, Downtown redevelopment and stabilization, branding, tourism and identification of Tempe's central core, and major redevelopment projects within central core, including ASU partnerships, light rail-related real estate development and other development and redevelopment affecting Tempe's central core.

Capital Budget Overview



Pursuant to the Tempe City Charter, the City Manager prepares and submits a Capital Improvements Program (CIP) annually to the Council. The CIP is a five-year financial plan for the acquisition, construction, expansion, or rehabilitation of infrastructure and capital assets. Capital Projects typically have one or more of the following characteristics: (1) expenditures which take place over two or more years, requiring continuing appropriations beyond a single fiscal year; (2) funding with debt because of significant costs to be shared by current and future beneficiaries; (3) a systematic acquisition over an extended period of time, and; (4) scheduled replacement or maintenance of specific elements of physical assets. The following are some examples of items that are included within the definition of capital expenditures:

- Construction of new facilities
- Remodeling or expansion of existing facilities
- Purchase, improvement, or development of land
- Operating equipment and machinery for new and expanded facilities
- Planning and engineering costs related to specific capital improvements
- Street resurfacing, renovation, or reconstruction
- Emergency vehicles
- Information Technology infrastructure

Although capital projects are scheduled throughout the five-year plan, only those projects during the first year

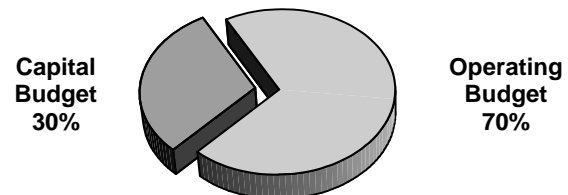
of the plan are adopted as part of the City's annual budget. The first year of the CIP constitutes the Capital Budget. The remaining years within the CIP serve as a guide for future planning and are subject to annual review and modification in subsequent years.

ANNUAL BUDGET PROGRAM SUMMARY

As shown in the following chart, the City of Tempe's Financial Program for FY 2008-09 totals \$564.4 million. Of this amount, approximately \$168 million is for projects included in the Capital Budget.

FY 2008-09 Total Financial Program

Operating Budget	\$396.4
Capital Budget	\$168.0
Total (\$ millions)	\$564.4



Comparison of FY 2007-08 and FY 2008-09 Capital Budgets

Capital Program	FY 2007-08 Budget	FY 2008-09 Budget
Enterprise		
Water	\$29,391,000	\$47,529,000
Wastewater	25,750,000	20,425,000
Golf	50,000	50,000
Special Purpose		
Transit	94,585,115	52,304,506
Rio Salado	4,012,100	5,971,361
General Purpose		
Police	17,243,022	6,261,249
Fire	3,863,798	5,312,020
Storm Drains	250,000	250,000
Park Improvements	10,388,724	10,138,875
General Governmental	16,544,134	7,929,938
Transportation		
Transportation and R.O.W	9,103,576	10,236,376
Traffic Signals/Street Lighting	1,525,000	1,625,000
Total	\$212,706,469	\$168,033,325



CIP PROCESS

In October 2007, the CIP process began with the CIP Coordinating Committee meeting to review and discuss guidelines, budget request forms, and availability of funds. This Committee consisted of City department heads, departmental capital project managers, and Financial Services staff. Based on guidance provided at this meeting, City departments submitted requests for projects to be included in the Capital Improvements Program.

After all the submissions were received, a follow-up 'discovery' meeting was held in mid-December 2007. At this meeting the total requests were put in context of total available funding. Through meetings with department managers and other key department representatives held over the ensuing months, the total requested program was reduced to meet the available resources. Based on these meetings, a five-year capital program was recommended to the City Manager.

On March 20, 2008, the City Council held an initial public Special Budget Session to examine the capital program including funding sources, debt service requirements, operating budget impacts, and project priorities. Subsequent meetings were held April 10th and April 17th, 2008 to further discuss the program and make revisions and additions based on Council priorities. The process culminated with Council adoption of the Capital Improvements Program on May 22nd, 2008.

CAPITAL BUDGET OVERVIEW

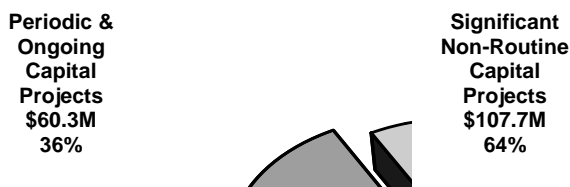
The Capital Budget consists of the following program areas: General Purpose, Transportation, Special Purpose, and Enterprise projects. As shown in the table below, the Enterprise and Special Purpose programs make up the bulk of the Capital Budget in FY 2008-09, representing 40% and 35% of the program, respectively. The Enterprise program includes Water, Wastewater, and Golf projects, and totals \$68 million. The Special Purpose program includes Transit and Rio Salado projects and totals \$58.3 million. The General Purpose program includes Police, Fire,

Parks, Storm Drains, and General Governmental projects, and represents \$29.9 million or 18%, of the funded projects in FY 2008-09. The Transportation program includes street and sidewalk construction and renovation, traffic signals, and lighting projects. Transportation program funding totals \$11.8 million in FY 2008-09, representing 7% of the Capital Budget.

In total, the four program areas account for 112 projects. In the course of evaluating all of the projects, the City recognizes a distinction between projects that require expenditures toward anticipated periodic and ongoing annual capital improvements, and projects that require significant non-routine capital expenditures.

Eighty-One (81) of the total CIP projects provide for periodic and ongoing expenditures to maintain and repair the City's facilities, streets, and parks, and for the gradual replacement of various capital assets. While these projects account for 72% of all projects, they account for only 36% or \$60.3 million of the total FY 2008-09 Capital Budget.

As shown in the chart below, the balance of the total CIP projects, (31 projects) account for 64% or \$107.7 million of the 2008-09 Capital Budget.



These significant non-routine capital expenditures are for major projects that are typically "one time" in nature and involve the construction or expansion of new facilities or City infrastructure, extensive renovation of existing facilities, the purchase of important capital assets, or the acquisition of new technology which will enhance service delivery. These major projects and associated funding sources are listed together with all projects by major program area in the complete CIP project listings and descriptions. The major projects are also listed separately for discussion in the Operating Impacts section of this document.

Because significant non-routine capital projects often translate into an increase in services required to support new or expanded facilities, or new or expanded City programs, they also often translate into increased operations and maintenance costs which impact the City's operating budget. The operating budget impacts resulting from significant non-routine capital expenditures are discussed in detail in the Operating Impact section of this document.

FY 2008-09 CIP by Program

	\$ Millions	% of Total
Enterprise	68.0	40%
Special Purpose	58.3	35%
General Purpose	29.9	18%
Transportation	11.8	7%
Total	\$168.0	100%



CAPITAL BUDGET HIGHLIGHTS

Following are highlights from the Capital Budget for FY 2008-09:

Enterprise Program

City Water system projects (\$47.5 million) including:

- Continued funding for additional water quality improvements to meet required water quality regulations at the Johnny G. Martinez Water Treatment Plant (JGMWTP) (\$30 million)
- Continued funding for construction of a new reclaimed water distribution line from the Kyrene Water Reclamation Facility (KWRF) (\$4 million).

City Wastewater system projects (\$20.4 million) including:

- Continued funding for 91st Avenue Wastewater Treatment Plant capacity expansion (\$15 million)
- Continued funding for the Southern Avenue Interceptor Rehabilitation (\$2.2 million).

Special Purpose Program

Funding for the Transit program (\$52.3 million) including:

- Continued funding for the Central Phoenix and East Valley Light Rail Transit (CPEVLR) planning, design and construction (\$10.6 million)
- Continued funding for new fixed route and neighborhood circulator City buses (\$29.7 million).

Funding for the Rio Salado Program (\$6 million) including Rio East Park (\$4 million) and the Tempe Town Lake Pedestrian Bridge (\$1.7 million).

General Purpose Program

Funding for the City's Police Protection Program (\$6.3 million) including:

- Continued funding for the Police / City Radio Replacement (\$3.7 million)
- New funding for specialized Laptop Computer Replacement for Patrol Officers and other Field Personnel (\$1.9 million).

Fire Protection Program (\$5.3 million) including:

- Continued funding for a new Fire Station in the City's Southeast Quadrant (\$3.9 million)

- Continued funding for a New Support Services Facility (\$665,000).

Park Improvements Program (\$10.1 million) including:

- Continued funding for Park Renovation and Restoration (\$7 million)
- Continued funding for the replacement of the Kiwanis Park sprinkler system (\$1.5 million).

Funding for the General Governmental Program (\$7.9 million) including:

- Continued funding for the renovation of the Tempe Public Library (\$3.4 million)
- Continued funding for the Municipal Arts Program (\$1 million)
- Final funding for the renovation of the Tempe Historical Museum Exhibit Hall (\$690,000)
- Continued funding for the repair, replacement and maintenance of various City facilities.

Transportation Program

Funding for Transportation and Right-Of-Way improvements (\$10.2 million) including:

- New funding for replacement of the Baseline Road bridge over the Western Canal (\$4 million)
- Continued funding for street reconstruction and repairs (\$5 million).

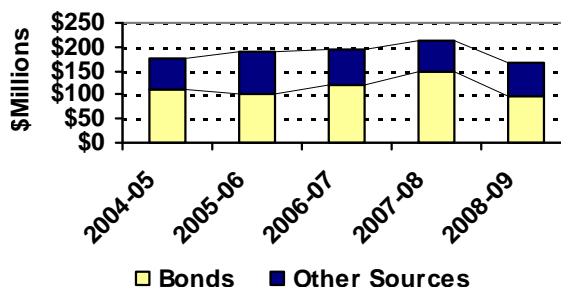
Funding for Traffic Signals (\$1.6 million) including:

- Continued funding for New Signals / Modular Upgrades (\$600,000)

CAPITAL IMPROVEMENTS PROGRAM FINANCING

Tempe's capital program has been historically funded through a combination of bonds and other sources, as shown in the chart below. The other funding sources

CIP Funding FY 2004-05 to FY 2008-09





have included pay-as-you-go financing, outside revenues, grants and capital project fund balances.

In FY 2008-09, the program is funded with a combination of bonded debt, representing 58% of program funding, and a total of 42% from a combination of other sources as shown in the table below.

FY 2008-09 Sources of Funds		
	\$ Millions	% of Total
General Obligation Bonds	\$97.4	58%
Pay-As-You-Go Financing	18.3	11%
Outside Revenue	43.7	26%
Capital Projects Fund Balance	8.6	5%
Total	\$168.0	100%

When compared to the prior fiscal year, bond financing in FY 2008-09 decreases as a percentage of the total Capital Budget largely due to a reduced reliance on bonded debt to support the Transit program.

For fiscal year 2008-09, the City plans to issue \$33.8 million in bonds for projects in the General Purpose and Transportation programs. Over the five-year Capital Improvements Program, we plan to issue \$131.9 million in bonds for these purposes; all in accordance with our debt management plan. Debt service on these bonds will be repaid by revenues from the City's secondary property taxes.

In addition, the City plans to issue approximately \$63.6 million of Enterprise Bonds in FY 2008-09 to finance a portion of the project costs in this program. Over the five-year CIP, we plan to issue approximately \$192 million in bonds in the Enterprise program. User fee revenue will support the debt service costs on these bonds.

The FY 2008-09 sources are described in further detail in the Capital Improvements Program Source of Funds table in the *Schedules and Summaries* section, as well as in the individual project descriptions.

DEBT MANAGEMENT PLAN

The need to incur long term obligations to finance past, present and future capital programs carries with it the obligation to manage the resultant debt program effectively. Accordingly, the level of outstanding debt and the City's capacity to incur and repay additional debt bear careful examination.

In 1989 the City Council adopted a long-range debt plan for the City. At the beginning of the capital budget process, the debt plan is updated using revised assessed property valuations, population assumptions, and operating revenue projections. Through adoption of this plan and by utilizing these factors to size our debt program, the City has achieved and maintained outstanding bond ratings. Currently, Tempe's General Obligation Bond ratings are:

Fitch: "AAA" December 2000
Moody's: "Aa1" April 1997
Standard & Poor's: "AAA" December 2006

Notable is the recent upgrade in Standard and Poor's rating of the City's creditworthiness from AA+ to AAA in December 2006. This is the highest credit rating possible from this agency and is a testament to the City's prudent financial management practices.

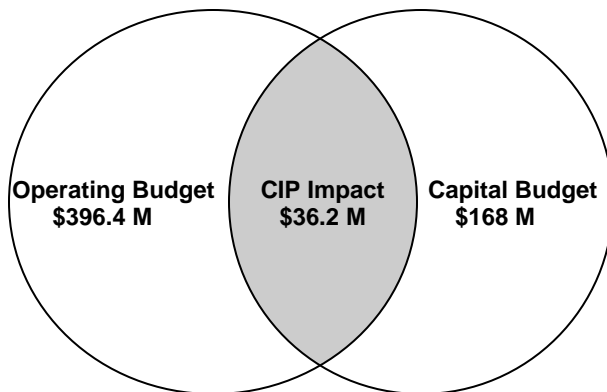
CONCLUSION

The five-year capital program serves as an excellent guide for future planning. In combination with the debt management plan, the capital program will ensure the City's capital needs are met in a timely fashion with no impact to the City's continued financial stability.

Relationship Between Operating and Capital Budgets



Though the City of Tempe prepares a Capital Budget separate from the Operating Budget, the two budgets are linked. These links include operating and maintenance costs associated with new facilities and infrastructure, debt service payments for new debt financed projects, and pay-as-you-go financing from operating revenues. As shown in the diagram and table below, these incremental impacts total \$36.2 million in FY 2008-09.



Incremental Impact of Capital Budget on Operating Budget - All Funds

	FY 2008-09
New Debt Service	
Enterprise	\$5,842,630
Transportation	852,807
General Purpose	5,918,888
New Operations and Maintenance	5,264,246
Pay-As-You-Go Financing	
Transit Fund	17,621,942
Water/Wastewater Fund	679,540
Total	\$36,180,053

As part of the Capital Improvements Program, departments were asked to identify those capital projects that have an impact on the operating budget and then quantify the impact in terms of operation and maintenance; including any cost savings or new revenues resulting from a project. The table at the bottom of this page lists the FY 2008-09 projects with identified operating and maintenance impacts, and includes the projected fiscal impact on the FY 2008-09 operating budget.

It is important to note that although the capital budget expenditures for each of the projects identified below are considered significant and non-routine, the estimated annual operating budget impacts resulting from each project are anticipated to become permanent. The estimated future annual operating impacts resulting from these projects are discussed in the next section along with all other capital projects that are anticipated to have impacts on future operating budgets.

As shown in the table at the bottom of the page, the FY 2008-09 completion of the Central Phoenix and East Valley Light Rail Transit (CP / EV LRT) project is anticipated to produce the largest *net* operating cost, with \$3.2 million budgeted in the Transit Fund. The total cost represents Tempe's identified share of FY 2008-09 payments to the management entity, Valley Metro Rail, which will operate the light rail system on behalf of the participating / benefitting metropolitan area cities. The new operating revenue identified as a product of this project represents estimated fare revenue from riders of the new light rail in FY 2008-09. Because light rail is not scheduled to begin operations until December 2008, the estimated operating costs and new revenues only represent six months of these operating impacts. The revenues and expenditures associated with this impact are budgeted in the Transit Fund.

FY 2008-09 Detailed Operating and Maintenance Impacts of Capital Improvements

Program / Project	Fund	Total Cost	New Revenue	Expenditure Reductions	Net Fiscal Effect	FTE
Special Purpose						
CP / EV LRT—Rail Planning, Design & Construction	Transit	\$4,437,707	\$1,259,938		\$3,177,769	
Crosscut Canal Multi-Use Path Phase II	Transit	5,200			5,200	
General Purpose						
Fire Station 7 for Southeast Quadrant	General	2,081,277			2,081,277	21
Total Operating Impacts		\$6,524,184	\$1,259,938	\$0	\$5,264,246	21

The other noteworthy FY 2008-09 operating impact is approximately \$2 million in the General Fund associated with the construction of a new fire station. In general terms, this amount provides for the hiring of a new 21 person fire company and related annual operating and maintenance costs for the station.

The operating budget impacts associated with the completion of Phase II of the Crosscut Canal Multi-Use Path represent additional permanent landscape maintenance expenditures that will be required once the path is completed and put into service in FY 2008-09.

All FY 2008-09 capital project operating impacts mentioned above are budgeted within the FY 2008-09 operating budget and constitute permanent increases to the annual base budget of each respective fund.

Future Operating and Maintenance Impacts

In addition to current year impacts, future operating costs, savings, and new revenue associated with current and planned projects are identified in the Capital Budget process to aid in long range planning. As the City Council only formally adopts Operating and Capital Budgets on an annual basis, it is important to note that these 'out-year' impacts merely represent a forecast based on the current scope of the project and inflation assumptions. As such, they will be subject to revision in future years based on changes in inflation, the scope of the project and Council and community priorities.

As shown in the table on page 34, a total of 16 current and/or future projects are projected to produce \$25.5 million in operating budget impacts between FY 2008-09 and FY 2012-13. Of the 16 projects, 12 are considered to be significant non-routine projects and are projected to produce 94% or \$23.8 million of the total estimated future operating budget impacts. Anticipated periodic and ongoing capital projects are estimated to produce approximately \$1.6 million in operating budget impacts over the same period.

Within the Special Purpose program, the current CP / EV LRT project is the primary driver of the operating budget impacts. Because the CP / EV LRT project is scheduled for completion in FY 2008-09, the project serves as an excellent example of how a significant non-routine project can result in significant permanent operating impacts. It is important to note that the estimated future operating impacts from the CP / EV LRT project assume the receipt of an annual revenue offset from fares paid by light rail riders. Because light rail operating cost and revenue sharing methodologies for future years have not been finalized among the participating municipalities, the annual operating impact amounts represent net estimates.

Overall, total projected annual increases in capital

project operating impacts remain fairly stable, increasing from approximately \$5.8 million in FY 2009-10, to approximately \$6.9 million in FY 2012-13. Clearly, the year over year increases in light rail operating costs drive this stability.

Other capital projects that exemplify how non-routine capital expenditures can often result in permanent operating budget impacts include the following:

- *Environmental Laboratory Facility* - Operating impacts represent the additional annual costs of electricity to operate the lab.
- *Customer Services Utility Billing Upgrade* - After installation, the new utility billing software system will require annual maintenance costs estimated at \$110,000.
- *Rio East Park* - Once complete, the new park will require 2.5 additional maintenance employees and associated supplies.
- *Fire Station 7* - As mentioned earlier, the new fire station has a FY 2008-09 operating budget impact of nearly \$2.1 million. The estimated future annual operating impact increases of roughly \$80,000 represent annual increases to the salaries, and inflationary items that became permanent adjustments to the base budget in FY 2008-09.
- *Cellular Phone Tracking System* - Although the new system does not represent a relatively major project in monetary terms, it is considered significant and non-routine in that it will introduce a new state of the art technology to the Police Department. The Project will include new permanent annual software maintenance costs.

Projected operating impacts produced by anticipated periodic and ongoing annual projects are primarily attributable to the scheduled replacement of capital assets, ongoing maintenance, and inflationary impacts on electricity, fuel, and materials and supplies.

Capital Expenditures Impact on Services

Inherent within the CIP is the overarching fundamental intention to maintain and improve the City's infrastructure and assets in order to create a positive and livable community environment, and to enhance the City's organizational ability to deliver services to residents. Ongoing projects such as waterline and street repair, park renovation, and facilities maintenance are basic examples of capital projects that perpetuate the livability of the City. Major non-routine projects such as Water Treatment Plant Upgrades, Rio East Park, and the Tempe Town Lake Pedestrian Bridge all represent major City investments that will ensure Tempe is a safe and accommodating place to live.

Other major non-routine capital projects that will result in appreciable enhancements to City service deliverability are highlighted below:

- Fire Station 7 in the Southeast Quadrant – Currently one fire station serves the City's southeast quadrant which represents approximately 40% of the City's geographical area. The construction of Fire Station 7 will add a second fire station to serve the southeast quadrant which will enable the City to become less reliant on neighboring municipalities in that area, and enhance the Fire Department's ability to maintain its goal of responding to 70% of emergency calls in fewer than 5 minutes.
- East Valley, Central Phoenix Light Rail Transit is anticipated to greatly enhance City residents' access to public transportation not only within Tempe, but also to the airport and neighboring Cities. The light rail system will include eight boarding stations within Tempe, including two stations through the heart of downtown and a rail bridge over Tempe Town Lake.
- Tempe Public Library Renovation – This project will substantially upgrade the library's computer system which will speed up resident access to information, and reduce complaints. The renovation also involves the purchase of a new wireless telephone system which will free librarians from service desks and allow them to interact with both telephone and in house customers in a more efficient manner.
- Tempe Historical Museum Renovation – The goal of this project is to enhance visitors' experience by creating a more flexible, interactive gathering space that attracts a larger, more diverse and involved audience. The project will redefine the exhibit area, integrate new technology, create a versatile multi-use area, improve efficiency of non-public space, and create a children's area that involves families and schools.
- Bus Fleet Replacement and Expansion – In response to increased demand for public transit in Tempe over the last decade, this project will significantly expand fixed route and neighborhood circulator bus service to City residents, thereby decreasing traffic congestion. The project will replace over 50 existing buses which will improve the quality of transit ridership

Projected Impact of Capital Improvements on Future Operating Budgets



Capital Improvements Plan Net Operating Impact Forecast: FY 2009-10 to FY 2012-13						
Capital Project	Fund	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Total
Enterprise Program						
Environmental Laboratory Facility	Water	70,000	70,000	70,000	70,000	280,000
Financial Services - Customer Services Utility Billing Upgrade	Water	110,000	110,000	110,000	110,000	440,000
Ken McDonald Golf Course Recharge Project	Water	64,460	64,460	64,460	64,460	257,840
Enterprise Subtotal		244,460	244,460	244,460	244,460	977,840
Special Purpose Program						
Crosscut Canal Multi-Use Path Phase II	Transit	5,356	5,517	5,682	5,853	22,408
Rio Salado Multi-Use Path - Tempe - Phoenix - (priest - 143)	Transit			10,400	10,712	21,112
CP / EV LRT - Rail Planning, Design and Construction	Transit	4,671,000	5,204,000	5,473,000	5,777,000	21,125,000
Rio East Park	Rio Salado	228,151	170,673	182,079	194,476	775,379
Special Purpose Subtotal		4,904,507	5,380,190	5,671,161	5,988,041	21,943,899
General Purpose Program						
Cellular Phone Tracking System	General	27,500	27,500	27,500	27,500	110,000
New Support Services Facility	General	101,085	78,242	80,945	83,869	344,141
Fire Station 2	General		6,960	6,960	6,960	13,920
Fire Station 7 for Southeast Quadrant	General	78,291	80,794	83,496	86,420	329,001
Tempe Public Library Renovation	General	38,400	38,400	48,400		125,200
Laptop Replacement*	General	44,000	44,000	44,000	44,000	176,000
TIPS (Technology Integrated Police Systems)*	General	97,000	97,000	97,000	97,000	388,000
Park Renovation and Restoration*	General	170,335	181,100	192,527	205,016	748,978
General Purpose Subtotal		556,611	547,036	580,828	550,765	2,235,240
Transportation Program						
Graffiti Removal*	General	71,341	78,205	85,784	94,154	329,484
Transportation Subtotal		71,341	78,205	85,784	94,154	329,484
Total		5,776,919	6,249,891	6,582,233	6,877,420	25,486,463

*Indicates estimated operating costs are associated with anticipated periodic and ongoing projects.

Significant Non-Routine Capital Project Expenditures by Major Program



Projects and Funding Sources by Major Program	Funded	Additional Needs				5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
<u>Enterprise Program</u>						
JGMWTP Treatment Upgrades						
Water / Wastewater Bonds	\$28,650,000	\$14,070,000				\$42,720,000
Development Fees	1,350,000	1,350,000				2,700,000
STWTP Water Quality Improvement						
Water / Wastewater Bonds		2,500,000	10,150,000	6,760,000		19,410,000
Development Fees			1,350,000	1,350,000		2,700,000
Environmental Laboratory Facility						
Water / Wastewater Bonds		432,000	2,059,400	2,059,400		4,550,800
Development Fees					540,000	540,000
STWTP Security Fencing - Lighting						
Water / Wastewater Bonds			2,806,000			2,806,000
JGMWTP Security Fencing - Lighting						
Water / Wastewater Bonds		2,318,000				2,318,000
New Production Well						
Water / Wastewater Bonds	1,900,000	700,000		900,000		3,500,000
Kyrene Reclaimed Water Transmission / Distribution Line						
Water / Wastewater Bonds	4,000,000					4,000,000
Financial Services - Customer Services Utility Billing System Upgrade						
Capital Projects Fund Balance	710,000	1,200,000				1,910,000
Ken McDonald Golf Course Recharge Project						
Water / Wastewater Bonds	390,000	1,724,000				2,114,000
Total Enterprise Program	37,000,000	24,294,000	16,365,400	11,069,400	1,440,000	90,168,800
<u>Special Purpose Program</u>						
Bus Purchase - Fleet Replacement & Expansion						
Transit Tax	1,951,000					1,951,000
Regional Transportation Fund	5,546,841	3,824,538				9,371,379
Federal Grants	22,187,366	15,298,150				37,485,516
CP / EV LRT - Rail Planning, Design & Construction						
Transit Tax	10,578,000					10,578,000

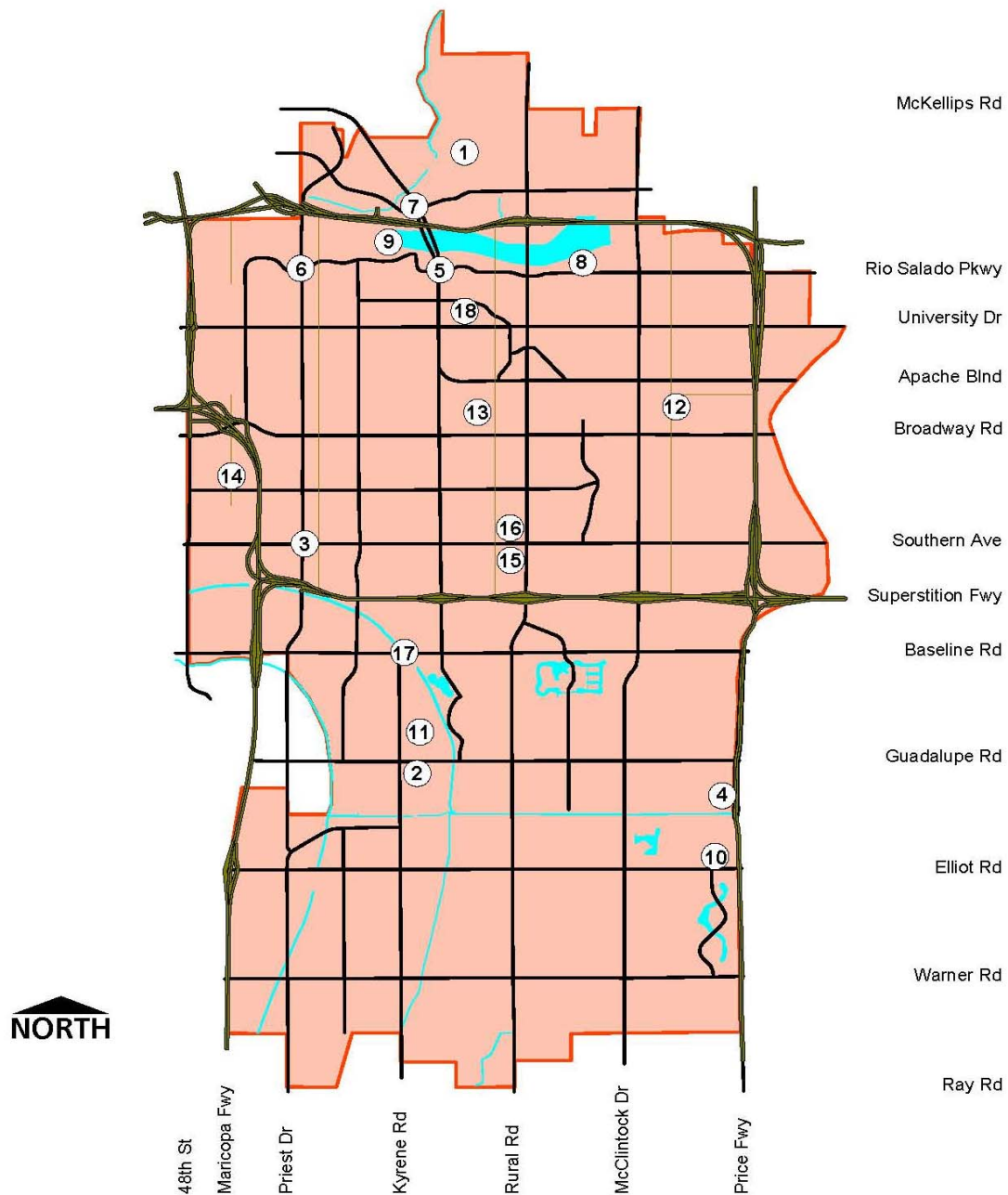


Projects and Funding Sources by Major Program	Funded		Additional Needs			5-Year Program
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Light Rail - Concurrent Non-Project Activities (CNPA)						
<i>Capital Projects Fund Balance</i>	4,805,499					4,805,499
I-10 Alameda Drive Bike Ped Crossing						
<i>Transit Tax</i>			403,200		2,574,000	2,977,200
<i>Federal Grants</i>					1,200,000	1,200,000
South Tempe Transit Center						
<i>Transit Tax</i>	80,677					80,677
<i>Regional Transportation Fund</i>	1,945,123					1,945,123
Crosscut Canal Multi-use Path Phase II						
<i>Transit Tax</i>	1,400,000					1,400,000
<i>Federal Grants</i>	500,000					500,000
Rio Salado Multi-Use Path - Tempe-Phx (Priest-143)						
<i>Federal Grants</i>			800,000			800,000
Tempe Town Lake Pedestrian Bridge						
<i>Land Sale Proceeds-Rio East</i>	1,004,800					1,004,800
<i>Grants</i>	750,000					750,000
Rio East Park						
<i>Land Sale Proceeds-Rio East</i>	2,616,561	1,684,030	170,672	182,080	194,476	4,847,819
<i>Developer Funding</i>	1,500,000					1,500,000
Tempe Town Lake Pedestrian Bridge						
<i>Land Sale Proceeds-Rio East</i>	1,004,800					1,004,800
<i>Grants</i>	750,000					750,000
Total Special Purpose Program	54,865,867	36,206,718	7,973,872	182,080	3,968,476	103,197,013
<u>General Purpose Program</u>						
Cellular Phone Tracking System						
<i>Land Sale Proceeds-Rio East</i>	362,600					362,600
New Support Services Facility						
<i>General Obligation Bonds</i>	665,136	8,215,639				8,880,775
Fire Station 2						
<i>General Obligation Bonds</i>		503,424	7,731,821			8,235,245
Fire Station 7 for Southeast Quadrant						
<i>General Obligation Bonds</i>	3,927,884					3,927,884



Projects and Funding Sources by Major Program	Funded		Additional Needs			5-Year Program
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Replace Burn Room at the Fire Training Center						
<i>General Obligation Bonds</i>				500,000		500,000
Kiwanis Park Sprinkler System Replacement						
<i>General Obligation Bonds</i>	1,534,000	1,534,000				3,068,000
Diablo Stadium Scoreboard Replacement						
<i>General Obligation Bonds</i>	621,000					621,000
Tempe Public Library Renovation						
<i>General Obligation Bonds</i>	3,425,133	3,536,333	115,000			7,076,466
Tempe Historical Museum Renovation Project						
<i>General Obligation Bonds</i>	690,000					690,000
Development Services Technology Modernization						
<i>Land Sale Proceeds-Rio East</i>	225,000	75,000				300,000
City Hall / Municipal Complex Rehabilitation						
<i>Land Sale Proceeds-Rio East</i>	450,000					450,000
Total General Purpose Program	11,900,753	13,864,396	7,846,821	500,000	0	34,111,970
<u>Transportation & R.O.W. Improvements Program</u>						
Baseline Bridge Replacement Over Western Canal						
<i>General Obligation Bonds</i>	3,000,000					3,000,000
<i>LTAF Fund Balance</i>	1,000,000					1,000,000
Total Transportation and R.O.W. Program	4,000,000					4,000,000
Total All Programs	\$107,766,620	\$74,365,114	\$32,186,093	\$11,751,480	\$5,408,476	\$231,477,783

Capital Improvements Project Map



Location	Project Description
1.	Johnny G. Martinez Water Treatment Plant Upgrades
2.	Kyrene Reclaimed Water Transmission/Distribution Line
3.	Southern Avenue Interceptor Rehabilitation
4.	Sedimentation Basins Grout Liner Replacement
5.	Central Phoenix & East Valley Light Rail Planning, Design & Construction
6.	Bus Purchase - Fleet Replacement & Expansion
7.	Crosscut Canal Multi-Use Path Phase II
8.	Rio East Park
9.	Tempe Town Lake Pedestrian Bridge

Location	Project Description
10.	Fire Station Station 7
11.	Kiwanis Park Sprinkler System Replacement
12.	Park Renovation and Restoration - Hudson Park
13.	Park Renovation and Restoration - Daley Park
14.	Diablo Stadium Scoreboard Replacement
15.	Tempe Public Library Renovation
16.	Tempe Historical Museum Renovation
17.	Baseline Bridge over Western Canal
18.	City Hall Municipal Complex Rehabilitation

Capital Budget Strategic Focus



The City establishes strategic issues, goals, and objectives to provide long range focus for resource allocation choices. The strategic issues, goals, and objectives are aligned to Council committees as follows:

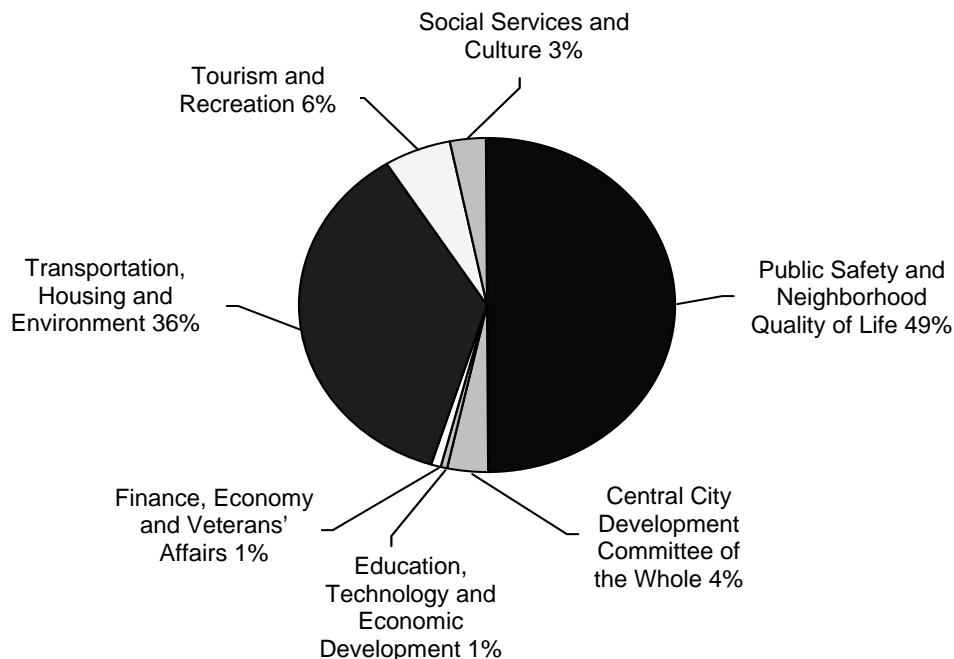
Central City Development Committee of the Whole
Education, Technology and Economic Development
Finance, Economy and Veterans' Affairs
Public Safety and Neighborhood Quality of Life
Social Services and Culture
Tourism and Recreation
Transportation, Housing and Environment

The objective of each strategic team is to delineate long-range goals, formulate a cohesive strategy for each of the defined areas, and develop action plans to advance the City towards those strategic goals.

The FY 2008-09 Capital Program organized by strategic issue is shown in the chart below.

The FY 2008-09 Capital Budget largely focuses on capital projects related to two strategic areas: (1) Public Safety and Neighborhood Quality of Life; and (2) Transportation, Housing and Environment. These two strategic issue areas alone account for 85% of the Capital Budget in the upcoming fiscal year.

CIP project concentration in Public Safety and Neighborhood Quality of Life is attributable to the City's continuing reinvestment in water and sewer infrastructure to support new and existing development; and new facilities and equipment to support the Police and Fire departments. CIP concentration in Transportation, Housing and Environment is attributable to the City's focus on linking the downtown area to the regional light rail transit system, reinvestment in the City bus fleet, and ongoing maintenance of City street systems.



Capital Improvements Program Summary



Program	Funded Program		Additional Needs			Total 5-Year Program
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Enterprise Program						
Water	\$47,529,000	\$28,344,000	\$20,538,400	\$17,402,400	\$6,365,000	\$120,178,800
Wastewater	20,425,000	17,290,950	17,184,250	17,440,000	16,490,000	88,830,200
Golf	50,000	50,000	50,000	50,000	50,000	250,000
Subtotal Enterprise	68,004,000	45,684,950	37,772,650	34,892,400	22,905,000	209,259,000
Special Purpose Program						
Transit	52,304,506	22,672,688	4,028,200	2,504,343	3,774,000	85,283,737
Rio Salado	5,971,361	17,184,030	6,870,672	282,080	294,476	30,602,619
Total Special Purpose	58,275,867	39,856,718	10,898,872	2,786,423	4,068,476	115,886,356
General Purpose Program						
Police	6,261,249	2,360,800	950,000	950,000	900,000	11,422,049
Fire	5,312,020	8,890,959	7,731,821	500,000		22,434,800
Storm Drains	250,000	275,000	275,000	300,000	300,000	1,400,000
Park Improvements	10,138,875	8,744,875	7,412,375	7,876,875	8,172,000	42,345,000
General Governmental						
Community Services	5,211,938	4,219,409	532,509	373,467	266,290	10,603,613
Development Services	335,000	115,000				450,000
Information Technology	180,000	348,000				528,000
Community Relations	250,000	250,000	250,000	250,000	250,000	1,250,000
Public Works	1,678,000	882,000	782,000	782,000	782,000	4,906,000
Water Utilities	275,000	275,000	275,000	275,000	275,000	1,375,000
Total General Purpose	29,892,082	26,361,043	18,208,705	11,307,342	10,945,290	96,714,462
Transportation Program						
Transportation and R.O.W.	10,236,376	7,087,227	7,748,051	8,463,666	8,864,733	42,400,053
Traffic Signals / Street Lighting	1,625,000	1,753,348	2,286,319	1,575,000	1,921,469	9,161,136
Total Transportation	11,861,376	8,840,575	10,034,370	10,038,666	10,786,202	51,561,189
Total General/Transportation	41,753,458	35,201,618	28,243,075	21,346,008	21,731,492	148,275,651
Subtotal Tax Supported	100,029,325	75,058,336	39,141,947	24,132,431	25,799,968	264,162,007
TOTAL PROGRAM	\$168,033,325	\$120,743,286	\$76,914,597	\$59,024,831	\$48,704,968	\$473,421,007

Capital Improvements Program Source of Funds



	Funded Program					Total 5-Year Program
Program	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Enterprise Supported						
Water/Wastewater						
Water / Wastewater Bonds	\$63,594,000	\$41,284,950	\$35,122,650	\$31,742,400	\$20,255,000	\$191,999,000
Capital Projects Fund Balance	1,860,000	1,850,000	100,000	600,000	100,000	4,510,000
Development Fees	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
Total Water/Wastewater Fund	67,954,000	45,634,950	37,722,650	34,842,400	22,855,000	209,009,000
Golf						
Excise Tax Bonds - Golf Fund	50,000	50,000	50,000	50,000	50,000	250,000
Subtotal Enterprise Supported	68,004,000	45,684,950	37,772,650	34,892,400	22,905,000	209,259,000
Special Purpose						
Transit						
Transit Tax Revenues	17,079,677	978,220	2,128,200	1,017,803	2,574,000	23,777,900
Regional Public Transportation Fund	7,491,964	3,824,538				11,316,502
Federal Grants	22,687,366	17,869,930	1,900,000	1,486,540	1,200,000	45,143,836
Capital Projects Fund Balance	5,045,499					5,045,499
Total Transit Fund	52,304,506	22,672,688	4,028,200	2,504,343	3,774,000	85,283,737
Rio Salado						
Mondrian Agreement		10,800,000				10,800,000
Developer Funding	1,500,000					1,500,000
Land Sale Proceeds-Rio East	3,721,361	6,384,030	6,870,672	282,080	294,476	17,552,619
Grants	750,000					750,000
Total Rio Salado	5,971,361	17,184,030	6,870,672	282,080	294,476	30,602,619
Total Special Purpose	58,275,867	39,856,718	10,898,872	2,786,423	4,068,476	115,886,356
General Purpose & Transportation						
General Obligation Bonds	33,770,407	32,512,592	25,994,598	19,665,541	19,915,674	131,858,812
Capital Improvements Reserve	777,000	777,000	777,000	777,000	777,000	3,885,000
Water / Wastewater Fund	679,540	456,350	377,227	348,424	228,550	2,090,090
Transit Fund	542,265	226,727	40,282	25,043	37,740	872,057
Local Transportation Assistance Fund	1,000,000					1,000,000
Land Sale Proceeds-Rio East	2,393,600	1,093,000	530,000	530,000	530,000	5,076,600
Capital Project Fund Balances	880,000					880,000
Community Oriented Policing						
Services (COPS) Grant	1,625,646					1,625,646
Federal Grants		135,950	523,968		242,528	902,446
Racketeer Influenced and Corrupt						
Organizations Act (RICO) Funds	85,000					85,000
Total General/Transportation	41,753,458	35,201,618	28,243,075	21,346,008	21,731,492	148,275,651
Subtotal Tax Supported	100,029,325	75,058,336	39,141,947	24,132,431	25,799,968	264,162,007
TOTAL PROGRAM	\$168,033,325	\$120,743,286	\$76,914,597	\$59,024,831	\$48,704,968	\$473,421,007

Capital Improvements Changes in Fund Balances



Program	Estimated Fund Balance 06-30-08	Transfers from Other Funds	Outside Revenue	Bond Proceeds	Appropriation	Estimated Fund Balance 06-30-09
Enterprise						
Water / Wastewater	\$5,675,318		\$2,500,000	\$63,594,000	\$67,954,000	\$3,815,318
Golf				50,000	50,000	
Cemetery	297,232					297,232
Subtotal Enterprise	5,972,550	0	2,500,000	63,644,000	68,004,000	4,112,550
Special Purpose						
Transit	5,050,000	17,079,677	30,179,330		52,304,506	4,501
Performing Arts	1,018,198					1,018,198
Rio Salado	497,964		5,971,361		5,971,361	497,964
Subtotal Special Purpose	6,566,162	17,079,677	36,150,691	0	58,275,867	1,520,663
General Purpose						
Police Protection	313,578		1,988,246	3,973,003	6,261,249	13,578
Fire Protection				5,312,020	5,312,020	
Storm Drains				250,000	250,000	
Park Improvements	291,833			9,928,875	10,138,875	81,833
General Governmental	(469,702)	1,998,805	1,816,000	4,115,133	7,929,938	(469,702)
Subtotal General Purpose	135,709	1,998,805	3,804,246	23,579,031	29,892,082	(374,291)
Transportation						
Transportation & R.O.W. Improvements	471,099	1,000,000	200,000	8,836,376	10,236,376	271,099
Traffic Signals / Street Lighting	177,657		100,000	1,355,000	1,625,000	7,657
Subtotal Transportation	648,756	1,000,000	300,000	10,191,376	11,861,376	278,756
TOTAL PROGRAM	\$13,323,177	\$20,078,482	\$42,754,937	\$97,414,407	\$168,033,325	\$5,537,678

Capital Improvements Program Project Listings and Descriptions



Water Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
JGMWTP Treatment Upgrades	\$30,000,000	\$15,420,000				\$45,420,000
STWTP Water Quality Improvement		2,500,000	11,500,000	8,110,000		22,110,000
Water Line Replacement and Repair	850,000	850,000	850,000	4,000,000	4,000,000	10,550,000
Environmental Laboratory Facility		432,000	2,059,400	2,059,400	540,000	5,090,800
New Production Well	1,900,000	700,000		900,000	900,000	4,400,000
Kyrene Reclaimed Water Transmission / Distribution Line	4,000,000					4,000,000
WL Upgrade / Replacement Rural Rd. (RioSalado - Apache)		1,372,000	2,200,000			3,572,000
STWTP Security Fencing and Lighting			2,806,000			2,806,000
JGMWTP Security Fencing and Lighting		2,318,000				2,318,000
Sedimentation Basins Grout Liner Replacement	2,200,000					2,200,000
Ken McDonald Golf Course Recharge Project	390,000	1,724,000				2,114,000
Financial Services - Customer Services Utility Billing System Upgrade	710,000	1,200,000				1,910,000
Distribution System Fittings	500,000	500,000	400,000	230,000	230,000	1,860,000
Small Meter Replacement Program - 2 Inches and Under	650,000	650,000	100,000	100,000	100,000	1,600,000
Water Line Upgrade / Replacement Orange / Lemon	1,503,500					1,503,500
JGMWTP Capital Equipment Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
STWTP Capital Equipment Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Water Line Upgrade / Replacement Margo / Geneva (Fairmont-Hardy)	1,168,500					1,168,500
Update the Integrated Master Plan	500,000			500,000		1,000,000
Water Line Upgrade / Replacement on 22nd / 24th St (Hardy-Roosevelt)	957,000					957,000
Undergrounding of Water Aqueduct at the JGMWTP				857,000		857,000
Well #13 Equipping	680,000					680,000
NaOCl Cells and Brine Tank Installation	480,000					480,000



Water Program Projects by Total Project Cost (continued)

Project Description	Funded		Additional Needs			5-Year Program
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Central Arizona Project Capital Charge	95,000	95,000	95,000	95,000	95,000	475,000
HVAC Replacement at the Three Water & Wastewater Treatment Plants	175,000	83,000	28,000	51,000		337,000
Alum Tank Replacement at the STWTP	270,000					270,000
Water Program Total	\$47,529,000	\$28,344,000	\$20,538,400	\$17,402,400	\$6,365,000	\$120,178,800



Crew at work on waterline



Water Program Projects by Funding Source

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
<u>Water / Wastewater Bonds</u>						
JGMWTP Treatment Upgrades	\$28,650,000	\$14,070,000				\$42,720,000
STWTP Water Quality Improvement		2,500,000	10,150,000	6,760,000		19,410,000
Water Line Replacement and Repair	850,000	850,000	850,000	4,000,000	4,000,000	10,550,000
Environmental Laboratory Facility		432,000	2,059,400	2,059,400		4,550,800
New Production Well	1,900,000	700,000		900,000		3,500,000
Kyrene Reclaimed Water Transmission / Distribution Line	4,000,000					4,000,000
Water Line Upgrade / Replacement Rural Rd. (Rio Salado - Apache)		1,372,000	2,200,000			3,572,000
STWTP Security Fence - Lighting			2,806,000			2,806,000
JGMWTP Security Fence - Lighting		2,318,000				2,318,000
Sedimentation Basins Grout Liner Replacement	2,200,000					2,200,000
Ken McDonald Golf Course Recharge Project	390,000	1,724,000				2,114,000
Distribution System Fittings	500,000	500,000	400,000	230,000	230,000	1,860,000
Water Line Upgrade / Replacement Orange / Lemon	1,503,500					1,503,500
JGMWTP Capital Equipment Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
STWTP Capital Equipment Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Water Line Upgrade / Replacement Margo / Geneva (Fairmont-Hardy)	1,168,500					1,168,500
Water Line Upgrade / Replacement on 22nd / 24th St (Hardy-Roosevelt)	957,000					957,000
Undergrounding of Water Aqueduct at the JGMWTP				857,000		857,000
Well #13 Equipping	680,000					680,000
NaOCl Cells and Brine Tank Installation	480,000					480,000
CAP Capital Charge	95,000	95,000	95,000	95,000	95,000	475,000
HVAC Replacement at the Three Water & Wastewater Treatment Plants	175,000	83,000	28,000	51,000		337,000
Alum Tank Replacement at the STWTP	270,000					270,000
Subtotal	44,319,000	25,144,000	19,088,400	15,452,400	4,825,000	108,828,800



Water Program Projects by Funding Source (continued)

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
<i>Funding Source:</i>						
<i>Capital Projects Fund Balance</i>						
Financial Services - Customer Services Utility Billing System Upgrade	710,000	1,200,000				1,910,000
Small Meter Replacement Program - 2 Inches and Under	650,000	650,000	100,000	100,000	100,000	1,600,000
Update the Integrated Master Plan (IMP)	500,000			500,000		1,000,000
Subtotal	1,860,000	1,850,000	100,000	600,000	100,000	4,510,000
<i>Funding Source:</i>						
<i>Development Fees</i>						
JGMWTP Treatment Upgrades	1,350,000	1,350,000				2,700,000
STWTP Water Quality Improvement			1,350,000	1,350,000		2,700,000
Environmental Laboratory Facility					540,000	540,000
New Production Well					900,000	900,000
Subtotal	1,350,000	1,350,000	1,350,000	1,350,000	1,440,000	6,840,000
Water Program Total	\$47,529,000	\$28,344,000	\$20,538,400	\$17,402,400	\$6,365,000	\$120,178,800



Water Program Project Descriptions

JGMWTP Treatment Upgrades

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will install additional water quality improvements to meet required water quality regulations at the Johnny G. Martinez Water Treatment Plant (JGMWTP). The project includes a comprehensive site study, a Granular Activated Carbon (GAC) facility, and solids handling improvements (plate settlers and sludge holding tank).

2008-09 Source of Funds

Water / Wastewater Bonds	28,650,000
Development Fees	1,350,000

STWTP Water Quality Improvement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project includes improvements and modifications to the existing South Tempe Water Treatment Plant that will ensure the plant is in compliance with current water quality regulations and goals. The project includes a Granular Activated Carbon facility and other site improvements.

2008-09 Source of Funds

N/A

Water Line Replacement and Repair

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

The Water Utility Department Integrated Master Plan identifies most of the specific waterlines that need to be replaced to meet increasing demands. This project provides a recurring funding source to replace water lines that break during normal operation or that have reached their useful life.

2008-09 Source of Funds

Water / Wastewater Bonds	850,000
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Environmental Laboratory Facility

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will construct a new 10,000 square foot Water Utilities Department, Leadership in Energy and Environmental Design (LEED) Green Building certified Environmental Laboratory facility on existing City-owned land at the South Tempe Water Treatment Plant site adjacent to the existing Environmental Services Building. 10,000 square feet is believed to be sufficient space for all currently required analyses, process control and research analyses, and future requirements added by EPA. The project will add two new chemists so that tests will be conducted internally. Accordingly, two chemists have been included in the operating impacts of this project. In addition to these two positions, another research / process control chemist position is to be added to operational impacts of the proposed capital project beginning in FY 2011-12.

2008-09 Source of Funds

N/A

New Production Well

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides funding for one new potable water well, and city connections to four existing wells. The Water Utilities Department Integrated Master Plan (2000), and Water Resources Plan (2006) identified a shortage of well capacity in Tempe and recommend that the City increase well capacity to meet emergency supply needs and supplemental drought supply. These wells would provide an additional 16.5 million gallons per day of production capacity to the City, and coupled with existing wells, meet the needs of an emergency situation. The wells also double as storage capacity and effectively reduce capital requirements for additional above-ground storage and pumping.

The new City of Tempe well is to be drilled and equipped in south Tempe. Two of the four wells to be connected to the City's distribution system will require renovation as part of the project.

2008-09 Source of Funds

Water / Wastewater Bonds	1,900,000
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Kyrene Reclaimed Water Transmission / Distribution Line

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

With the expansion of the City's Kyrene Reclamation Facility and its producing a higher quality effluent from the use of Membrane Technology, the City has excess reclaimed water to reuse. One major use of this reclaimed water is to refill Tempe Town Lake from evaporation and other losses. In order to accomplish this a pipeline will be constructed from the Kyrene Reclamation Facility to the Tempe Town Lake. The pipeline will be 24-inch diameter and will be a total length of approximately 5 miles.

2008-09 Source of Funds

Water / Wastewater Bonds	4,000,000
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Water Program Project Descriptions (continued)

Water Line Upgrade / Replacement on Rural Road (Rio Salado - Apache)

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will install approximately 5,000 feet of new 16 inch distribution main water line which will replace the existing 14 inch cast iron pipe on Rural Rd. between University Dr. and Apache Blvd. The existing 14 inch pipe was installed in 1968 and its now non-standard size makes new connections and repairs more expensive and of longer duration.

The new distribution main will be tied to a larger 30 inch transmission main at Rio Salado, University and Apache. The new line and connections will facilitate the Arizona State University Tempe campus Masterplan, and new development in the Rio Salado corridor. New fire hydrants, gate valves for control, onsite fire suppression system connections, services meters, and connections to the remainder of the distribution system will be included.

2008-09 Source of Funds

N/A

STWTP Security Fencing and Lighting

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project would replace the existing chain link perimeter fence that borders the eastern and southern perimeter along the South Tempe Water Treatment Plant. The project is a continuation of security improvements recommended by the vulnerability assessment completed as per federal requirements.

The existing chain link fence is not considered to be a high level security barrier and does not provide consistent adequate height requirements for security. The fence is also aging and in need of replacement. The replacement fence would be constructed with solid metal vertical and horizontal materials which are consistent with higher security standards. The perimeter fence line adjacent to Price Rd. would also have a metal cable barrier system installed to prevent vehicular intrusion. The lighting proposed for this site would be of free standing poles with fixtures that would provide sufficient illumination for deterrence and detection of any intruders.

2008-09 Source of Funds

N/A

JGMWTP Security Fencing and Lighting

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project consists of replacing the existing chain link fence that runs along the western perimeter of the Johnny G. Martinez Water Treatment Plant, and providing perimeter lighting along the same path. The chain link fence currently in place is over 20 years old and is in need of repair. The fence is the only barrier from public access and is not considered to be a high security barrier. The fence will be replaced with a higher level of security fence consisting of solid metal vertical and horizontal materials.

The proposed lighting would consist of free standing poles with lighting fixtures which would illuminate the perimeter fence line. Both the fence and lighting would add another layer of perimeter deterrence and detection for the facility. This project is a continuation of security improvements recommended by a vulnerability assessment completed for our critical assets.

2008-09 Source of Funds

N/A

Sedimentation Basins Grout Liner Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will completely replace the grout lining in the sedimentation basins at the South Tempe Water Treatment Plant. The current grout in the sedimentation basins is delaminating from the concrete underlayment. The grout serves the purpose of creating an angle for the sludge created from water treatment to collect in the middle of the circular basins for disposal. As the grout separates from the concrete it creates obstacles for the collection racks to overcome and blocks pump impellers and piping.

2008-09 Source of Funds

Water / Wastewater Bonds 2,200,000

Ken McDonald Golf Course Recharge Project

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will address the first two phases of the Tempe Ken McDonald Golf Course Groundwater Recharge Project. Phase 1 consists of deepening and equipping one existing recharge well, to convert it to an Aquifer Storage and Recovery (ASR) injection well. The injection well will provide reclaimed water aquifer storage and recovery. Phase 1 also includes the construction of discharge piping to recover stored reclaimed water (groundwater credits) for delivery to the golf course lakes for irrigation reuse.

Phase 2 includes the drilling and equipping of two additional ASR recharge wells and connection to the discharge piping for irrigation reuse.

2008-09 Source of Funds

Water / Wastewater Bonds 390,000



Water Program Project Descriptions (continued)

Financial Services - Customer Services Utility Billing System Upgrade

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project is for the upgrade / replacement of the Utility Billing software system. Currently, the Banner utility billing system bills an estimated \$56 million annually for the City's Water, Sewer and Solid Waste services for approximately 42,000 accounts. The current system has been operational since June 2001 with expected replacement for June 2010 (a nine year life). Modifications to the original software and the fact that a current software maintenance agreement is not in place, necessitates system replacement. Annual maintenance cost is estimated to be \$110,000 starting in FY 2009-10.

2008-09 Source of Funds

Capital Projects Fund Balance 710,000

Distribution System Fittings

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the acquisition, assembly and installation of water works infrastructure including meters, valves, hydrants and water lines at multiple City locations.

2008-09 Source of Funds

Water / Wastewater Bonds 500,000

Small Meter Replacement Program - 2 Inches and Under

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the replacement of revenue generating water meters that are 15 years or older. By replacing these meters the City should realize increased revenue and accurate water accounting. The estimated replacement schedule is as follows:

Approximately 11,000 small meters that are 15 years or older

Year 1) 5,500 meters

Year 2) 5,500 meters

Ongoing replacement program:

Year 3) 850 meters

Year 4) 850 meters

Year 5) 850 meters

2008-09 Source of Funds

Capital Projects Fund Balance 650,000

Water Line Upgrade / Replacement - Orange / Lemon

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will replace approximately 3,200 feet of 6 inch water line originally installed in 1962. The existing cast iron line has reached its design life, and does not meet current criteria for providing adequate water supply / fire flow in this multi-family area. New fire hydrants, gate valves for additional control, onsite fire suppression connections, and services meters will be included.

2008-09 Source of Funds

Water / Wastewater Bonds 1,503,500

JGMWTP Capital Equipment Replacement

Related Strategic Issue: Education, Technology and Economic Development

This project provides an annual funding mechanism to address equipment failures at the Johnny G. Martinez Water Treatment Plant which have not been specifically budgeted. Every year there are unexpected failures of pumps, valves, and other operating equipment due to fatigue, wear, structural failure and many other reasons. Efforts are underway to develop comprehensive preventative maintenance programs and procedures to help minimize equipment failures.

2008-09 Source of Funds

Water / Wastewater Bonds 250,000

STWTP Capital Equipment Replacement

Related Strategic Issue: Education, Technology and Economic Development

This project provides an annual funding mechanism to address equipment failures at the South Tempe Water Treatment Plant which have not been specifically budgeted. Every year there are unexpected failures of pumps, valves, and other operating equipment due to fatigue, wear, structural failure and many other reasons. Efforts are underway to develop comprehensive preventative maintenance programs and procedures to help minimize equipment failures.

2008-09 Source of Funds

Water / Wastewater Bonds 250,000



Water Program Project Descriptions (continued)

Water Line Upgrade / Replacement on Margo / Geneva (Fairmont-Hardy)

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will replace approximately 2,450 feet of existing 6 inch asbestos cement water line installed in 1980. Although the line has only reached its design half-life, it does not meet the current criteria for providing adequate water supply / fire flow in this heavy industrial area. New fire hydrants, gate valves for additional control, onsite fire suppression connections, and service meters will be included.

2008-09 Source of Funds

Water / Wastewater Bonds 1,168,500

Update the Integrated Master Plan (IMP)

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides funding to facilitate the first update to the water, wastewater, storm water and flood irrigation Integrated Master Plan (IMP) completed by the Water Utilities Department in 2000. Because of the projected intense capital spending necessary to meet growing service demand, it was recommended to update the master plan initially on a three-year cycle. If growth slows in the future, the period between IMP updates may be increased. The IMP has also proven to serve as a very functional financial model that aids in CIP planning and rate setting.

2008-09 Source of Funds

Capital Projects Fund Balance 500,000

Water Line Upgrade / Replacement on 22nd / 24th Street (Hardy-Roosevelt)

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will replace approximately 2,520 feet of existing 6 inch cast iron water lines which were installed in 1960. The lines are nearing the end of their design life and do not meet current criteria for providing adequate water supply / fire flow in this heavy industrial area. New fire hydrants, gate valves for additional control, new onsite fire suppression connections, and service meters will be included.

2008-09 Source of Funds

Water / Wastewater Bonds 957,000

Undergrounding of Water Aqueduct at the JGMWTP

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

The purpose of this project is to replace the water aqueduct or flume that brings raw water from the Crosscut Canal to the Johnny G. Martinez Water Treatment Plant. The aqueduct is part of the original infrastructure of the plant built almost 45 years ago. The goal of the project is to replace the aqueduct with an underground pipe.

2008-09 Source of Funds

N/A

Well #13 Equipping

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

Well #13 is located south of the Western Canal between Rural Road and McClintock Drive. This planned well project was originally intended for use as a recovery well project to pump storage credits to the Salt River Project (SRP) canal as a water exchange supply source. The FY 08-09 project scope is being expanded to include a direct connection to the Tempe municipal water distribution system as a back-up drinking water supply well along with the connection to the SRP Western Canal.

2008-09 Source of Funds

Water / Wastewater Bonds 680,000

NaOCl Cells and Brine Tank Installation

Related Strategic Issue: Education, Technology and Economic Development

This project will add two Sodium Hypochlorite (NaOCl) generating cells to the current generating system, and one 60 ton Brine tank to the current NaOCl salt storage system. The addition of the two NaOCl generating cells will reduce system run time during high peak, high demand production times, saving up to 120 hours per month in peak electrical pricing. Adding the additional Brine Tank will help ensure a constant brine supply for NaOCl generation.

2008-09 Source of Funds

Water / Wastewater Bonds 480,000

Central Arizona Project Capital Charge

Related Strategic Issue: Education, Technology and Economic Development

An agreement with the Central Arizona Water Conservation District imposes a semi-annual capital charge payable annually through 2034. These charges repay the federal government's advance of construction funding to build the Central Arizona Project canal system.

2008-09 Source of Funds

Water / Wastewater Bonds 95,000



Water Program Project Descriptions (continued)

HVAC Replacement at the Three Water and Wastewater Treatment Plants

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides funding to replace city owned air conditioning equipment and carpet located within the three water and wastewater treatment plants that has been identified as being ineffective, inefficient or has exceeded its life span according to the Public Works facility maintenance division. The replacement schedule is as follows:

- 2008-09: replace 17 heat pumps at the Johnny G. Martinez Water Treatment Plant (JGMWTP), and 3 air conditioning units at the South Tempe Water Treatment Plant (STWTP)
- 2009-10: replace 14 air conditioning units and heat pumps at JGMWTP, STWTP and Kyrene Water Reclamation Facility (KWRF)
- 2010-11: replace 1 heat pump and other equipment at JGMWTP, STWTP & KWRF
- 2011-12: replace 8 heat pumps and air conditioning units at JGMWTP, STWTP & KWRF

2008-09 Source of Funds

Water / Wastewater Bonds 175,000

Alum Tank Replacement at the STWTP

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will install two new bulk Alum storage tanks, related plumbing, and a new top fill system made of stainless steel for unloading safety, at the South Tempe Water Treatment Plant.

2008-09 Source of Funds

Water / Wastewater Bonds 270,000



Wastewater Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
91st Avenue WWTP	\$15,000,000	\$12,500,000	\$12,500,000	\$13,000,000	\$12,000,000	\$65,000,000
SAI Rehabilitation - All phases	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	11,200,000
Sewer Line Replacement and Repair	750,000	750,000	750,000	2,000,000	2,000,000	6,250,000
Sewer Replacement / Upsize Smith Rd. Apache to University	200,000	1,528,700				1,728,700
Sewer Replacement / Upsize 5th St. Price to Smith		172,250	1,544,250			1,716,500
Scottsdale Road Bio Filter Project	960,000					960,000
Sewer Replacement / Upsize Scottsdale Rd. Curry to Gilbert	915,000					915,000
KWRF Capital Equipment Replacement	50,000	100,000	150,000	200,000	250,000	750,000
KWRF - Scum Automation	250,000					250,000
KWRF Shade Screen	60,000					60,000
Wastewater Program Total	\$20,425,000	\$17,290,950	\$17,184,250	\$17,440,000	\$16,490,000	\$88,830,200

Wastewater Program Projects by Funding Source

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
<u>Water / Wastewater Bonds</u>						
91st Avenue WWTP	\$13,850,000	\$11,350,000	\$11,350,000	\$11,850,000	\$10,940,000	\$59,340,000
SAI Rehabilitation - All phases	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	11,200,000
Sewer Line Replacement and Repair	750,000	750,000	750,000	2,000,000	2,000,000	6,250,000
Sewer Replacement / Upsize Smith Rd. Apache to University	200,000	1,528,700				1,728,700
Sewer Replacement / Upsize -5th St. Price to Smith		172,250	1,544,250			1,716,500
Scottsdale Road Bio Filter Project	960,000					960,000
Sewer Replacement / Upsize Scottsdale Rd. Curry to Gilbert	915,000					915,000
KWRF Capital Equipment Replacement	50,000	100,000	150,000	200,000	250,000	750,000
KWRF - Scum Automation	250,000					250,000
KWRF Shade Screen	60,000					60,000
Subtotal	19,275,000	16,140,950	16,034,250	16,290,000	15,430,000	83,170,200
Funding Source:						
<u>Development Fees</u>						
91st Avenue WWTP	1,150,000	1,150,000	1,150,000	1,150,000	1,060,000	5,660,000
Subtotal	1,150,000	1,150,000	1,150,000	1,150,000	1,060,000	5,660,000
Wastewater Program Total	\$20,425,000	\$17,290,950	\$17,184,250	\$17,440,000	\$16,490,000	\$88,830,200



Wastewater Program Project Descriptions

91st Avenue WWTP

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project represents Tempe's share of all activities at the 91st Avenue Wastewater Treatment Plant (WWTP) including: capacity expansion projects, capital equipment replacement, modifications and additions to meet regulatory requirements, process enhancements, and also capacity expansion of the jointly owned trunk sewer lines that convey wastewater flows to the plant. The 91st Avenue WWTP is a regional treatment facility that is jointly owned by five metropolitan area cities and is operated by the City of Phoenix. The 91st Ave WWTP comprises the majority of Tempe's wastewater treatment program.

2008-09 Source of Funds

Water / Wastewater Bonds	13,850,000
Development Fees	1,150,000

Southern Avenue Interceptor (SAI) Rehabilitation-All phases

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project funds the phased rehabilitation or the replacement of the Southern Avenue Interceptor (SAI), a jointly owned regional sewer that runs through Tempe. An engineering condition assessment study revealed severe corrosion of this unlined concrete sewer line, and recommended a phased rehabilitation or replacement of the line to protect it from eventual collapse. This multi-year project addresses all phases of rehabilitation and replacement.

The project will be jointly funded by both Tempe and the City of Mesa. The estimated project costs shown here represent Tempe's portion of full line replacement.

2008-09 Source of Funds

Water / Wastewater Bonds	2,240,000
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Sewer Line Replacement and Repair

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

The Water Utility Department Integrated Master Plan (IMP) identifies most of the specific sewer lines that need to be replaced to meet increasing wastewater flows. This project provides a recurring funding source to replace sewer lines that break during normal operation.

2008-09 Source of Funds

Water / Wastewater Bonds	750,000
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Sewer Replacement / Upsize Smith Road - Apache to University

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will replace an estimated 2,670 feet of existing 12 to 15 inch sanitary sewer due to insufficient capacity. The new sewer diameter will be 18 inches. The project will alleviate high flow conditions and facilitate Apache Blvd. redevelopment.

2008-09 Source of Funds

Water / Wastewater Bonds	200,000
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Sewer Replacement / Upsize on 5th Street - Price to Smith

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will replace an estimated 2,650 feet of existing 15 inch sanitary sewer due to insufficient capacity. The new sewer diameter will be 18 inches. The project will alleviate high flow conditions and facilitate Apache Blvd. redevelopment.

2008-09 Source of Funds

N/A

Scottsdale Road Bio Filter Project

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will construct a Bio Filter for odor control related to sanitary sewer nuisance odors near the intersection of Scottsdale Road and Gilbert Drive. Public complaints of sanitary sewer odors in the vicinity have recently increased. The project includes site location, and the design and construction of the Bio Filter odor control system.

2008-09 Source of Funds

Water / Wastewater Bonds	960,000
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Sewer Replacement / Upsize on Scottsdale Road - Curry to Gilbert Metering Station

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will replace an estimated 1,500 feet of existing 12 inch sanitary sewer due to insufficient capacity. The new sewer diameter will be 15 to 18 inches depending on the location. The project will accommodate additional discharges from the Jonny G. Martinez Water Treatment Facility, and facilitate new condominium development between Weber and Curry.

2008-09 Source of Funds

Water / Wastewater Bonds	915,000
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Wastewater Program Project Descriptions (continued)

KWRF Capital Equipment Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides an annual funding mechanism to address equipment failures at the Kyrene Water Reclamation Facility which have not been specifically budgeted. Every year there are unexpected failures of pumps, valves, and other operating equipment due to fatigue, wear, structural failure and many other reasons. Efforts are underway to develop comprehensive preventative maintenance programs and procedures to help minimize equipment failures.

2008-09 Source of Funds

Water / Wastewater Bonds	50,000
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KWRF Scum Automation

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

The scope of this project is to automate the Kyrene Water Reclamation Facility scum gate / drain trough system located at and across all eight membrane basin inlets. The scum gates and piped channel allow cleaning and drainage of excess floatable solids (scum) that accrue at the membrane basin inlets. Potential hazardous gases such as Hydrogen Sulfide are reduced as well. The system now requires excessive operator hours accessing the area, opening difficult valves and hatches, and running water hose lines to allow physical access for spraying and hosing-out the scum troughs once the gate and drain valves are opened properly.

Automating the system at a minimum will require an electrically-controlled gate, a new drain, and sprayer valves with actuators that provide open / close position command and feedback features. Local control panels and conduit and wiring would be added for each valve and sprayer and would include valve status indicators and switches to provide manual or automatic operation of each valve.

2008-09 Source of Funds

Water / Wastewater Bonds	250,000
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KWRF Shade Screen

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

In order to protect critical equipment at the Kyrene Water Reclamation Facility, shade screening is recommended around the Chemical Storage and Odor Control Scrubber areas. This will protect the scrubber units, recirculation pumps, instrumentation, local control panels, chemical tanks, chemical pumps, piping and associated equipment. This project will include design and installation of the shade screen.

2008-09 Source of Funds

Water / Wastewater Bonds	60,000
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Golf Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Golf Course Improvements	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Golf Program Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Golf Program Projects by Funding Source

	Funded		Additional Needs			5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
<u>Excise Tax Bonds</u>						
Golf Course Improvements	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Golf Program Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Golf Program Project Descriptions

Golf Course Improvements

Related Strategic Issue: Finance, Economy and Veterans' Affairs

This ongoing project provides funds for small annual renovation and improvement projects at both golf courses. Projects could involve concrete replacement and installation, fencing replacement and installation, sand replacement and additions, tee and green renovations and improvements, small landscaping and sprinkler projects, replacement of tables, benches and other amenities.

2008-09 Source of Funds

Excise Tax Bonds	50,000
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Rolling Hills Golf Course



Transit Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Bus Purchase - Fleet Replacement & Expansion	\$29,685,207	\$19,122,688				\$48,807,895
CP / EV LRT - Rail Planning, Design & Construction	10,578,000					10,578,000
Light Rail - Concurrent Non-Project Activities (CNPA)	4,805,499					4,805,499
I-10 Alameda Drive Bike and Pedestrian Crossing			403,200		3,774,000	4,177,200
Broadway Road Streetscape and Pedestrian Improvements	240,000	3,000,000				3,240,000
Bus Fleet Midlife Refurbishment	3,000,000					3,000,000
University Drive Street Improvement-Priest / Mill		250,000	2,275,000			2,525,000
Hardy Drive Pedestrian Street Improvement			250,000	2,095,000		2,345,000
South Tempe Transit Center	2,025,800					2,025,800
Crosscut Canal Multi-Use Path Phase II	1,900,000					1,900,000
Rio Salado Multi-Use Path Tempe-Phoenix (Priest-143)		300,000	1,100,000			1,400,000
Install CCTV Monitoring Stations - LRT Signal Intersections				409,343		409,343
ITS Transit Strategic Plan	70,000					70,000
Transit Program Total	\$52,304,506	\$22,672,688	\$4,028,200	\$2,504,343	\$3,774,000	\$85,283,737



Transit Program Projects by Funding Source

	Funded	Additional Needs				5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
Transit Tax						
Bus Purchase - Fleet Replacement & Expansion	\$1,951,000					\$1,951,000
CP / EV LRT - Rail Planning, Design & Construction	10,578,000					10,578,000
I-10 Alameda Drive Bike and Pedestrian Crossing			403,200		2,574,000	2,977,200
Broadway Rd. Streetscape and Pedestrian Improvements		428,220				428,220
Bus Fleet Midlife Refurbishment	3,000,000					3,000,000
University Drive Street Improvement - Priest / Mill		250,000	1,175,000			1,425,000
Hardy Drive Pedestrian Street Improvement			250,000	895,000		1,145,000
South Tempe Transit Center	80,677					80,677
Crosscut Canal Multi-use Path Phase II	1,400,000					1,400,000
Rio Salado Multi-Use Path Tempe - Phoenix (Priest-143)		300,000	300,000			600,000
Install CCTV Monitoring Stations - LRT Signal Intersections				122,803		122,803
ITS Transit Strategic Plan	70,000					70,000
Subtotal	17,079,677	978,220	2,128,200	1,017,803	2,574,000	23,777,900

Funding Source:

Federal Grants

Bus Purchase - Fleet Replacement & Expansion	22,187,366	15,298,150				37,485,516
I-10 Alameda Drive Bike and Pedestrian Crossing					1,200,000	1,200,000
Broadway Road Streetscape and Pedestrian Improvements		2,571,780				2,571,780
University Drive Street Improvement - Priest / Mill			1,100,000			1,100,000
Hardy Drive Pedestrian Street Improvement				1,200,000		1,200,000
Crosscut Canal Multi-use Path Phase II	500,000					500,000
Rio Salado Multi-Use Path - Tempe - Phx (Priest-143)			800,000			800,000
Install CCTV Monitoring Stations - LRT Signal Intersections				286,540		286,540
Subtotal	22,687,366	17,869,930	1,900,000	1,486,540	1,200,000	45,143,836

Transit Program Projects by Funding Source (continued)

	Funded		Additional Needs			5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
Capital Projects Fund Balance						
Light Rail - Concurrent Non-Project Activities (CNPA)	4,805,499					4,805,499
Broadway Rd. Streetscape and Pedestrian Improvements	240,000					240,000
Subtotal	5,045,499					5,045,499
Funding Source:						
Regional Transportation Fund						
South Tempe Transit Center	1,945,123					1,945,123
Bus Purchase - Fleet Replacement & Expansion	5,546,841	3,824,538				9,371,379
Subtotal	7,491,964	3,824,538				11,316,502
Transit Program Total	\$52,304,506	\$22,672,688	\$4,028,200	\$2,504,343	\$3,774,000	\$85,283,737



Tempe Transit Center under construction



Transit Program Project Descriptions

Bus Purchase - Fleet Replacement and Expansion

Related Strategic Issue: Transportation, Housing and Environment

This project provides for 15 new expansion neighborhood circulator buses, 10 new fixed route buses for planned service to Rio Salado Parkway, and the replacement of 52 fixed route buses and 4 neighborhood circulator buses. The project also provides for all auxiliary equipment necessary to support new bus services and the replacement of vehicles nearing the end of useful life.

2008-09 Source of Funds

Federal Grants	22,187,366
Regional Transportation Fund	5,546,841
Transit Tax	1,951,000

CP / EV LRT - Rail Planning, Design and Construction

Related Strategic Issue: Transportation, Housing and Environment

This project provides funding for design, engineering and construction of 5 ½ miles of light rail transit that will link downtown Phoenix and downtown Mesa to Tempe including Sky Harbor Airport and Arizona State University. In addition, this project provides for obtaining necessary project rights of way. The major funding partners in the CP/EV LRT project are Phoenix, Tempe and Mesa. Together, the cities are funding approximately half of the capital costs of the project with a combination of local sales tax revenues, bond proceeds and other local sources. The balance will be funded with federal sources, including Federal Transportation Administration Section 5309 New Starts grant funds. The budget to the right reflects Tempe's anticipated contribution in fiscal year 2008-09.

2008-09 Source of Funds

Transit Tax	10,578,000
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Light Rail - Concurrent Non-Project Activities (CNPA)

Related Strategic Issue: Transportation, Housing and Environment

This project funds Light Rail concurrent non-project related activities that are designed, constructed and managed through Valley Metro Rail during construction of the Light Rail Project.

2008-09 Source of Funds

Capital Projects Fund Balance	4,805,499
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I-10 and Alameda Drive Bicycle and Pedestrian Crossing

Related Strategic Issue: Transportation, Housing and Environment

This project will construct a non-motorized bridge over the Interstate 10 Freeway (I-10) at Alameda Drive. The bridge will provide bicycle and pedestrian access from west of the I-10 to Arizona State University and downtown Tempe, and provide Americans with Disabilities Act accessible routes to employment centers and major regional destinations. Work to be performed includes design, acquisition of ramp easements as needed, bridge construction, artwork, and installation of landscaping and street furniture.

2008-09 Source of Funds

N/A

Broadway Road Streetscape and Pedestrian Improvements

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project consists of pedestrian and bicycle facility improvements along an arterial street fronted by single family residential units.

2008-09 Source of Funds

Capital Projects Fund Balance	240,000
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Bus Fleet Midlife Refurbishment

Related Strategic Issue: Transportation, Housing and Environment

This project funds scheduled midlife maintenance for the City's existing bus fleet. The refurbishment program extends the useful life of the City's buses and includes body paint refurbishment, interior reconditioning, major mechanical component inspection and replacement, and miscellaneous equipment in support of bus maintenance.

2008-09 Source of Funds

Transit Tax	3,000,000
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University Drive Street Improvement - Priest / Mill

Related Strategic Issue: Transportation, Housing and Environment

This project provides funding for geometric changes to University Drive including the installation of on-street parking, striping for bike lanes, widening of sidewalks, construction of medians, pedestrian safety, fiber optic cable installation, providing mid-block crossings, and providing transit and pedestrian amenities.

2008-09 Source of Funds

N/A



Transit Program Project Descriptions (continued)

Hardy Drive Pedestrian Street Improvement

Related Strategic Issue: Transportation, Housing and Environment

This project consists of design and construction aimed at providing pedestrian, bicycle and transit improvements on Hardy Drive between Broadway Road and University Drive. The project may include geometric changes to the street including the possible addition of on-street parking, striping for bike lanes, widening of sidewalks, reduction of existing travel lane widths, construction of planted medians, protection from intrusion of commercial truck traffic, improved pedestrian safety, reduction of speed limits, and construction of mid-block crossings.

2008-09 Source of Funds

N/A

South Tempe Transit Center

Related Strategic Issue: Transportation, Housing and Environment

This project provides for the construction of a new South Tempe Transit Center that will consist of four to six bus bays. The Transit Center will provide passenger amenities including furniture to support passenger transfers. The facility will also include variable message signs that will display bus schedules and bus arrival times. A location analysis will be conducted prior to design and construction of the center.

2008-09 Source of Funds

Regional Transportation Fund	1,945,123
Transit Tax	80,677

Crosscut Canal Multi-Use Path Phase II

Related Strategic Issue: Transportation, Housing and Environment

This project provides for the construction of Phase II of the Tempe Crosscut Canal Multi-Use Path, a one-mile non-motorized path facility that will connect to the recently completed award-winning 1.25 mile Crosscut Canal Multi-Use Path Phase I. The project includes a paved path facility, landscaping, lighting, and a public art element. The project follows Salt River Project's Crosscut Canal through Papago Park and connects to Tempe's Canal and Moeur parks.

This project serves to consolidate trails in Papago Park and helps preserve a fragile piece of the Sonoran Desert, while also retaining and protecting a naturalized riparian system along a portion of the canal route.

2008-09 Source of Funds

Transit Tax	1,400,000
Federal Grants	500,000

Rio Salado Multi-Use Path - Tempe-Phoenix (Priest - 143)

Related Strategic Issue: Transportation, Housing and Environment

This project involves the continued design and construction of the Tempe Rio Salado multi-use path system. This segment will extend from Priest Drive to State Route 143 on the western City limit of Tempe. The project includes landscaping, lighting, public art and other public amenities, and will be completed in conjunction with a City of Phoenix Rio Salado project; linking the two cities.

2008-09 Source of Funds

N/A

Install CCTV Monitoring Stations - LRT Signal Intersections

Related Strategic Issue: Transportation, Housing and Environment

This project serves to expand the monitoring segments of the regional transportation Closed Circuit Television (CCTV) network by adding CCTV monitoring capabilities at 25 signalized intersections along the Light Rail Transit (LRT) alignment. Expanded CCTV coverage will take full advantage of the communications infrastructure built into the Phoenix East Valley LRT project, and will promote multi-jurisdictional congestion relief goals by providing a platform to better coordinate LRT traffic signals as well as to respond to accidents / incidents in a more cooperative and efficient process.

2008-09 Source of Funds

N/A

ITS Transit Strategic Plan

Related Strategic Issue: Transportation, Housing and Environment

This project provides for the development of an Intelligent Transportation Systems (ITS) strategic plan. The plan will provide the City with guidelines and priorities on ITS investments, including types of technology, locations, and partnering opportunities. The plan will provide the City a blueprint for ITS investments in the next 5-10 years.

2008-09 Source of Funds

Transit Tax	70,000
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Rio Salado Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Town Lake Rubber Dam Replacement		\$15,400,000	\$6,600,000			\$22,000,000
Rio East Park	4,116,561	1,684,030	170,672	182,080	194,476	6,347,819
Tempe Town Lake Pedestrian Bridge	1,754,800					1,754,800
Rio Salado Ancillary Projects	100,000	100,000	100,000	100,000	100,000	500,000
Rio Salado Program Total	\$5,971,361	\$17,184,030	\$6,870,672	\$282,080	\$294,476	\$30,602,619

Rio Salado Program Projects by Funding Source

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program

Funding Source:

Land Sale Proceeds-Rio East

Town Lake Rubber Dam Replacement		4,600,000	6,600,000			11,200,000
Rio East Park	2,616,561	1,684,030	170,672	182,080	194,476	4,847,819
Tempe Town Lake Pedestrian Bridge	1,004,800					1,004,800
Rio Salado Ancillary Projects	100,000	100,000	100,000	100,000	100,000	500,000
Subtotal	3,721,361	6,384,030	6,870,672	282,080	294,476	17,552,619

Funding Source:

Mondrian Agreement

Town Lake Rubber Dam Replacement		10,800,000				10,800,000
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Funding Source:

Developer Funding

Rio East Park	1,500,000					1,500,000
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Funding Source:

Grants

Tempe Town Lake Pedestrian Bridge	750,000					750,000
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Rio Salado Program Total	\$5,971,361	\$17,184,030	\$6,870,672	\$282,080	\$294,476	\$30,602,619
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Rio Salado Program Project Descriptions

Town Lake Rubber Dam Replacement

Related Strategic Issue: Central City Development Committee of the Whole

This project provides for the replacement of the rubber dams at the western (downstream) end of Tempe Town Lake. Replacement of the larger downstream dams is the first priority, followed by the smaller upstream dams.

2008-09 Source of Funds

N/A

Rio East Park

Related Strategic Issue: Central City Development Committee of the Whole

This project will serve to complete the linear park system around Tempe Town Lake, and complete a connection from the United States Army Corps of Engineers (USACE) Path to McClintock Drive. The first public pier with on-water storage at Tempe Town Lake, and a public restroom in the park area are also included with this project.

2008-09 Source of Funds

Rio East Land Sale Proceeds	2,616,561
Developer Funding	1,500,000

Tempe Town Lake Pedestrian Bridge

Related Strategic Issue: Central City Development Committee of the Whole

The Tempe Town Lake Pedestrian Bridge is a project to span the west dams of Tempe Town Lake with a pedestrian friendly bridge. The project will provide access across the lake for pedestrians, skaters, and bicyclists. Also included is the creation of a plaza at the north landing of the bridge, and modification of the south landing to provide a transition to the existing Tempe Center for the Arts and multi-use path. Construction will also include conduit placed for communications use in case the need arises.

2008-09 Source of Funds

Rio East Land Sale Proceeds	1,004,800
Grants	750,000

Rio Salado Ancillary Projects

Related Strategic Issue: Central City Development Committee of the Whole

Rio Salado Ancillary Projects will fund the various minor projects that become necessary at Tempe Town Lake, Tempe Beach Park, and the linear park system.

2008-09 Source of Funds

Rio East Land Sale Proceeds	100,000
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Tempe Town Lake



Police Protection Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year Program
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Police City Radio System Replacement	\$3,663,649	\$1,985,800	\$700,000	\$700,000	\$700,000	\$7,749,449
Laptop Replacement	1,860,000					1,860,000
TIPS (Technology Integrated Police Systems)	375,000	375,000	250,000	250,000	200,000	1,450,000
Cellular Phone Tracking System	362,600					362,600
Police Protection Total	\$6,261,249	\$2,360,800	\$950,000	\$950,000	\$900,000	\$11,422,049

Police Protection Program Projects by Funding Source

	Funded		Additional Needs			5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
<u>General Obligation Bonds</u>						
Police/City Radio System Replacement	\$2,038,003	\$1,985,800	\$700,000	\$700,000	\$700,000	\$6,123,803
Laptop Replacement	1,860,000					1,860,000
TIPS (Technology Integrated Police Systems)	75,000	375,000	250,000	250,000	200,000	1,150,000
Subtotal	3,973,003	2,360,800	950,000	950,000	900,000	9,133,803
Funding Source:						
<u>Capital Projects Fund Balance</u>						
TIPS (Technology Integrated Police Systems)	300,000					300,000
Funding Source:						
<u>Rio East Land Sale Proceeds</u>						
Cellular Phone Tracking System	362,600					362,600
<u>Funding Source: COPS Grant</u>						
Police/City Radio System Replacement	1,625,646					1,625,646
Police Protection Total	\$6,261,249	\$2,360,800	\$950,000	\$950,000	\$900,000	\$11,422,049



Police Protection Program Project Descriptions

Police City Radio System Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This ongoing project provides for the replacement of outdated radio equipment for the Police Department and other City radio users and allows Tempe to participate in the establishment of long term public safety interoperability in the Phoenix metro area.

2008-09 Source of Funds

General Obligation Bonds	2,038,003
COPS Grant	1,625,646

Laptop Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the replacement of ruggedized laptop computers used by Patrol Officers and other field personnel.

2008-09 Source of Funds

General Obligation Bonds	1,860,000
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TIPS (Technology Integrated Police Systems)

Related Strategic Issue: Education, Technology and Economic Development

The Technologically Integrated Police Systems (TIPS) project provides the necessary resources to incorporate new technology in the Police Department, as well as resources to upgrade and interface existing automated systems. Planned projects include the implementation of Police specific GIS layers, computer based training applications, continued development of the wireless infrastructure, hardware for growing data storage needs, replacement of printers and other specialty hardware, and upgrades to software. Funding for this project also provides for the initial setup costs of COPLINK, a regional web-based data sharing and crime trend analysis software that will link with the crime records databases from neighboring municipal agencies.

2008-09 Source of Funds

General Obligation Bonds	75,000
Capital Projects Fund Balance	300,000

Cellular Phone Tracking System

Related Strategic Issue: Education, Technology and Economic Development

This project will provide a cellular phone tracking system for the Police Department. The tracking system will utilize state of the art technology capable of identifying the physical locations of cellular phones. This technology has been used by law enforcement agencies to investigate a variety of violent crimes including robberies, kidnappings, and homicides.

2008-09 Source of Funds

Rio East Land Sale Proceeds	362,600
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Fire Protection Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
New Support Services Facility	\$665,136	\$8,215,639				\$8,880,775
Fire Station 2		503,424	7,731,821			8,235,245
Fire Station 7 for Southeast Quadrant	3,927,884					3,927,884
Radio Replacement for Conversion to 800 Megahertz	719,000	171,896				890,896
Replace Burn Room at the Fire Training Center				500,000		500,000
Fire Program Total	\$5,312,020	\$8,890,959	\$7,731,821	\$500,000	\$0	\$22,434,800

Fire Protection Program Projects by Funding Source

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
<i>Funding Source:</i>						
<i>General Obligation Bonds</i>						
New Support Services Facility	\$665,136	\$8,215,639				\$8,880,775
Fire Station 2		503,424	7,731,821			8,235,245
Fire Station 7 for Southeast Quadrant	3,927,884					3,927,884
Radio Replacement for Conversion to 800 Megahertz	719,000	171,896				890,896
Replace Burn Room at the Fire Training Center				500,000		500,000
Fire Program Total	\$5,312,020	\$8,890,959	\$7,731,821	\$500,000	\$0	\$22,434,800



Fire Protection Program Project Descriptions

New Support Services Facility

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will construct a new Support Services Facility for the Fire Department. The existing facility is inadequate in terms of size and capabilities. The project will include purchase of land for the facility, and the new facility will house the department's primary maintenance and warehouse areas. The facility will include expanded room for the department's vehicle maintenance and parts storage, welding area, work space, test space, and cleaning area. The facility will also house the department's primary reserve apparatus; a pumper truck and a ladder truck. These vehicles need to be kept in a fully ready state, including all equipment, and must be kept in a secure location. The warehouse area alone will be approximately 5,000 square feet.

2008-09 Source of Funds

General Obligation Bonds 665,136

Fire Station 2

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will construct a new four bay fire station on south Hardy Rd. where the existing Fire Station 2 and the Support Services Facility are currently located. The project will entail the demolition of both the existing Fire Station 2 and the Support Services Facility; therefore the commencement of this project is dependent on prior completion of the New Support Services Facility project. Completion of the new Fire Station 2 will resolve the station's current lack of space and accommodate an additional fire vehicle.

2008-09 Source of Funds

N/A

Fire Station 7 for Southeast Quadrant

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will construct of a new three-bay fire station in the southeast quadrant of the City. Project funding includes everything necessary to put the facility in service, including purchase of the land, the facility, fire truck, personnel, and supplies and operating expenses.

Staffing this station with an engine company will require 21 additional personnel. Our plan will be to hire them during fiscal year 2008-09, so that they will be trained and ready to operate in conjunction with the completion of the station. This company will be located at an existing station until the new station is opened.

2008-09 Source of Funds

General Obligation Bonds 3,927,884

Radio Replacement for Conversion to 800 Megahertz

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides additional funding for the fire department's federally mandated conversion to 800 MHz radios. Funding will allow the department to complete the conversion and remain on track in its partnership with the other metropolitan area cities in the Automatic Aide System.

2008-09 Source of Funds

General Obligation Bonds 719,000

Replace Burn Room at the Fire Training Center

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will renovate and modernize the existing fire training burn room at the Fire Training Center which was built in 1993. The existing burn room is used on average 41 days per year for fire training and sustains damage with each live fire training which limits the life of the building. The burn room is a critical training area for firefighter safety.

2008-09 Source of Funds

N/A



Storm Drains Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Storm Drain Improvements	\$250,000	\$275,000	\$275,000	\$300,000	\$300,000	\$1,400,000
Storm Drains Program Total	\$250,000	\$275,000	\$275,000	\$300,000	\$300,000	\$1,400,000

Storm Drains Program Projects by Funding Source

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
<u>General Obligation Bonds</u>						
Storm Drain Improvements	\$250,000	\$275,000	\$275,000	\$300,000	\$300,000	1,400,000
Storm Drains Program Total	\$250,000	\$275,000	\$275,000	\$300,000	\$300,000	\$1,400,000

Storm Drains Program Project Descriptions

Storm Drain Improvements

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the construction of minor storm drain extensions and equipment replacement and upgrades, to relieve localized problems associated with various storm water retention facilities.

2008-09 Source of Funds

General Obligation Bonds	250,000
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Park Improvements Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year Program
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	
Park Renovation and Restoration	\$6,971,375	\$6,136,375	\$6,249,875	\$6,674,375	\$6,877,000	\$32,909,000
Kiwanis Park Sprinkler System Replacement	1,534,000	1,534,000				3,068,000
Athletic Field Lighting Improvements	352,500	352,500	402,500	402,500	455,000	1,965,000
Neighborhood Park Improvements	325,000	375,000	375,000	400,000	400,000	1,875,000
Park Landscaping Improvements	150,000	162,000	175,000	190,000	205,000	882,000
Street Landscaping	125,000	125,000	150,000	150,000	175,000	725,000
Diablo Stadium Scoreboard Replacement	621,000					621,000
Sports Facility Relamping	60,000	60,000	60,000	60,000	60,000	300,000
Park Improvements/Recreation						
Total Recommended	\$10,138,875	\$8,744,875	\$7,412,375	\$7,876,875	\$8,172,000	\$42,345,000



Kiwanis Park



Park Improvements Program Projects by Total Project Cost

	Funded		Additional Needs			5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
<u>General Obligation Bonds</u>						
Park Renovation and Restoration	\$6,971,375	\$6,136,375	\$6,249,875	\$6,674,375	\$6,877,000	\$32,909,000
Kiwanis Park Sprinkler System Replacement	1,534,000	1,534,000				3,068,000
Athletic Field Lighting Improvements	352,500	352,500	402,500	402,500	455,000	1,965,000
Neighborhood Park Improvements	325,000	375,000	375,000	400,000	400,000	1,875,000
Park Landscaping Improvements		162,000	175,000	190,000	205,000	732,000
Street Landscaping	125,000	125,000	150,000	150,000	175,000	725,000
Diablo Stadium Scoreboard Replacement	621,000					621,000
Sports Facility Relamping		60,000	60,000	60,000	60,000	240,000
Subtotal	9,928,875	8,744,875	7,412,375	7,876,875	8,172,000	42,135,000
Funding Source:						
<u>Capital Projects Fund Balance</u>						
Park Landscaping Improvements	150,000					150,000
Sports Facility Relamping	60,000					60,000
Subtotal	210,000					210,000
Park Improvements/Recreation						
Program Total	\$10,138,875	\$8,744,875	\$7,412,375	\$7,876,875	\$8,172,000	\$42,345,000



Park Improvements Program Project Descriptions

Park Renovation and Restoration

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will fund the renovation of three neighborhood parks per year. The project incorporates a planning process involving extensive neighborhood input. Renovations will involve improvements to playgrounds, irrigation systems, electrical and lighting systems, picnic facilities, landscaping, and accessibility. The project also includes renovations and upgrades to various park restrooms, renovation of the Kiwanis Park Recreation Center wave making equipment, rehabilitation of the Kiwanis Recreation Center, restoration of Escalante Swimming Pool amenities, and replacement of the Kiwanis Park Batting Range netting.

2008-09 Source of Funds
General Obligation Bonds 6,971,375

Kiwanis Park Sprinkler System Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the replacement of the sprinkler system in Kiwanis Park. The project includes the installation of new 6 inch water mains, valves, lateral lines, and heads and controllers. The project will also include dedicated irrigation to park trees which is not present with the existing system. Construction will be done in two phases over a two year period.

2008-09 Source of Funds
General Obligation Bonds 1,534,000

Athletic Field Lighting Improvements

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project upgrades the lighting levels at all deficient baseball, softball and multi-purpose athletic fields so that they are in compliance with Illuminating Engineering Society recommendations.

2008-09 Source of Funds
General Obligation Bonds 352,500

Neighborhood Park Improvements

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This ongoing project provides for the replacement of playground equipment, picnic equipment, fencing, signage, concrete, sand, rubber playground surfacing, etc in the City's various neighborhood parks.

2008-09 Source of Funds
General Obligation Bonds 325,000

Park Landscaping Improvements

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This ongoing project provides for the repair and replacement of neighborhood park landscaping. Funds are used to acquire trees, shrubs, seed and sod, and other planting materials to replace trees and shrubs or repair turf areas at City parks and building sites on an annual basis.

2008-09 Source of Funds
Capital Projects Fund Balance 150,000

Street Landscaping

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This ongoing project provides funding for tree maintenance and replacement, irrigation, and other landscaping in various street rights-of-way and public properties.

2008-09 Source of Funds
General Obligation Bonds 125,000

Diablo Stadium Scoreboard Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides funding for the replacement of the existing scoreboard at Diablo Stadium. This project will also replace the scoreboard's operating system. The existing scoreboard has been in service for more than thirty years.

2008-09 Source of Funds
General Obligation Bonds 621,000

Sports Facility Relamping

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the continued funding of a maintenance program for the City's sports facilities lighting needs. The project establishes a plan for a regular cycle of relamping and cleaning of light fixtures at all softball / baseball fields, soccer fields, tennis and racquetball courts and park basketball and volleyball courts.

2008-09 Source of Funds
Capital Projects Fund Balance 60,000

**General Governmental Program Projects by Total Project Cost**

	Funded		Additional Needs			5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Community Relations						
Maryanne Corder Neighborhood Improvement Program	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Community Services						
Tempe Public Library Renovation	3,425,133	3,536,333	115,000			7,076,466
Municipal Arts Program	1,096,805	683,076	417,509	373,467	266,290	2,837,147
Tempe Historical Museum Renovation Project	690,000					690,000
Community Services Subtotal	5,211,938	4,219,409	532,509	373,467	266,290	10,603,613
Development Services						
Technology Modernization	225,000	75,000				300,000
Closeout of Building Plan Archive	110,000	40,000				150,000
Development Services Subtotal	335,000	115,000				450,000
Information Technology						
Enterprise Network File Storage and Archival	180,000	348,000				528,000
Public Works						
City Facilities Rehabilitation	500,000	500,000	500,000	500,000	500,000	2,500,000
Historic Properties Preservation	100,000	100,000	100,000	100,000	100,000	500,000
City Hall / Municipal Complex Rehabilitation	450,000					450,000
Facility Maintenance Management Plan	250,000	100,000				350,000
HVAC Equipment Replacement	60,000	60,000	60,000	60,000	60,000	300,000
Roof Maintenance Program	60,000	60,000	60,000	60,000	60,000	300,000
Westside Community Center Roof Repair	196,000					196,000
Energy Upgrade and Retrofit	32,000	32,000	32,000	32,000	32,000	160,000
Microbial Remediation (Mold, Asbestos Removal)	30,000	30,000	30,000	30,000	30,000	150,000
Public Works Subtotal	1,678,000	882,000	782,000	782,000	782,000	4,906,000
Water Utilities						
Irrigation - Capital Replacement	275,000	275,000	275,000	275,000	275,000	1,375,000
General Governmental Program						
Total	\$7,929,938	\$6,089,409	\$1,839,509	\$1,680,467	\$1,573,290	\$19,112,613



General Governmental Program Projects by Funding Source

	Funded	Additional Needs				5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
General Obligation Bonds						
Tempe Public Library Renovation	\$3,425,133	\$3,536,333	\$115,000			\$7,076,466
Tempe Historical Museum Renovation Project	690,000					690,000
Subtotal	4,115,133	3,536,333	115,000			7,766,466
Funding Source:						
Capital Improvements Reserve						
Maryanne Corder Neighborhood Improvement Program	250,000	250,000	250,000	250,000	250,000	1,250,000
Historic Properties Preservation	100,000	100,000	100,000	100,000	100,000	500,000
HVAC Equipment Replacement	60,000	60,000	60,000	60,000	60,000	300,000
Roof Maintenance Program	60,000	60,000	60,000	60,000	60,000	300,000
Energy Upgrade and Retrofit	32,000	32,000	32,000	32,000	32,000	160,000
Irrigation-Capital Replacement	275,000	275,000	275,000	275,000	275,000	1,375,000
Subtotal	777,000	777,000	777,000	777,000	777,000	3,885,000
Funding Source:						
Rio East Land Sale Proceeds						
Development Services Technology Modernization	225,000	75,000				300,000
Development Services - Closeout of Building Plan Archive	110,000	40,000				150,000
Enterprise Network File Storage and Archival	180,000	348,000				528,000
City Facilities Rehabilitation	500,000	500,000	500,000	500,000	500,000	2,500,000
City Hall / Municipal Complex Rehabilitation	450,000					450,000
Facility Maintenance Management Plan	125,000	100,000				225,000
Westside Community Center Roof Repair	196,000					196,000
Microbial Remediation (Mold, Asbestos Removal)	30,000	30,000	30,000	30,000	30,000	150,000
Subtotal	1,816,000	1,093,000	530,000	530,000	530,000	4,499,000
Funding Source:						
Water/Wastewater Fund						
Municipal Arts Program	679,540	456,350	377,227	348,424	228,550	2,090,090
Subtotal	679,540	456,350	377,227	348,424	228,550	2,090,090

General Governmental Program Projects by Funding Source (continued)

	Funded	Additional Needs				5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
<u>Transit Fund</u>						
Municipal Arts Program	417,265	226,727	40,282	25,043	37,740	747,057
Facility Maintenance Management Plan	125,000					125,000
Subtotal	542,265	226,727	40,282	25,043	37,740	872,057
General Governmental Program						
Total	\$7,929,938	\$6,089,409	\$1,839,509	\$1,680,467	\$1,573,290	\$19,112,613



Tempe Public Library



General Governmental Program Project Descriptions

Maryanne Corder Neighborhood Improvement Program

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

The Maryanne Corder Neighborhood Improvement Program is an annual program that provides funding for small neighborhood initiated projects (\$12,000 or less per individual project). The selection of recipients and the amounts awarded are determined by City Council based on grant application requests from homeowner and neighborhood associations. Examples of projects include landscape, security lighting, and park improvements.

2008-09 Source of Funds

Capital Improvements Reserve	250,000
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Tempe Public Library Renovation

Related Strategic Issue: Social Services and Culture

The purpose of this project is to renovate the Tempe Public Library which opened to the public in 1989. Since the Library was designed and opened prior to the arrival of the Internet and the development of other media formats, the building was primarily designed to serve as a book repository. This project provides funding to upgrade the library's computer network, replace the furniture, and remodel the library to accommodate new usage patterns and technology. The project will also include purchasing a wireless telephone system that would free librarians from public services desks and allow them to interact with both telephone and in-house customers in a more efficient and customer-friendly manner.

2008-09 Source of Funds

General Obligation Bonds	3,425,133
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Municipal Arts Program

Related Strategic Issue: Social Services and Culture

This project provides funding for various Municipal Arts projects as determined by the Municipal Arts Commission and the City Council.

2008-09 Source of Funds

Water / Wastewater Fund	679,540
Transit Fund	417,265

Tempe Historical Museum Renovation Project

Related Strategic Issue: Social Services and Culture

Funding for this project will complete the renovation of the 8,000 square foot exhibit hall and gallery, and related amenities in the Tempe Historical Museum. The project also provides approximately 4,000 additional square feet of storage space and provides necessary upgrades to the existing fabrication workshop. The project will also address significant necessary HVAC repairs.

2008-09 Source of Funds

General Obligation Bonds	690,000
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Development Services Technology Modernization

Related Strategic Issue: Education, Technology and Economic Development

This project will update the technology used to support plan processing in the Development Services Department. The updated technology will provide online plan review, eliminate the potential for misfiled documents, and reduce the volume of phone inquiries to Development Services. The new program will also provide a robust and comprehensive archive of plan documents that can be quickly accessed in the event of a structural fire or other building emergency. The large volume of paper plans currently processed will also be reduced, along with associated expenses to process those documents for archiving in accordance with state law. The technology update will ensure Development Services can provide a competitive level of customer service and realize operational and economic efficiencies.

2008-09 Source of Funds

Rio East Land Sale Proceeds	225,000
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Development Services - Closeout of Building Plan Archive

Related Strategic Issue: Education, Technology and Economic Development

This program will eliminate existing backlog of over 3,500 sets of paper plan documents, and free up the over 200 square feet of workspace these plans occupy. The plan set backlog will be archived, and plan processing will be replaced with a document control program that is sized to effectively process documents produced by new construction activity.

2008-09 Source of Funds

Rio East Land Sale Proceeds	110,000
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Enterprise Network File Storage and Archival

Related Strategic Issue: Education, Technology and Economic Development

Funding for this project will expand the City's information storage capacity by upgrading computer hardware that manages the City's Storage Area Network. The network upgrades will enhance the City's ability to ensure reliable business operations into the future.

2008-09 Source of Funds

Rio East Land Sale Proceeds	180,000
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General Governmental Program Project Descriptions (continued)

City Facilities Rehabilitation

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project funds the rehabilitation and repair of aging public facilities and related systems including roofing repairs and replacements, floor covering, painting, repairs and upgrades of building automation, fire alarms and damaged equipment.

2008-09 Source of Funds

Rio East Land Sale Proceeds	500,000
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Historic Properties Preservation

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project funds the rehabilitation and repair of aging historic facilities owned by the City. The scope of the rehabilitation includes infrastructure systems, roofing repairs and replacements, floor covering, painting, repairs and upgrades of building automation, fire alarms and damaged equipment.

2008-09 Source of Funds

Capital Improvements Reserve	100,000
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City Hall / Municipal Complex Rehabilitation

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will assess the condition of the Municipal Complex and immediate surroundings for refurbishing needs. The following will be evaluated and included in the refurbishment: lighting, signage, security, structural, mechanical, water penetration, deck surface and utilization, glazing and related mullions, landscaping, general aesthetics, and ADA and building code issues.

2008-09 Source of Funds

Rio East Land Sale Proceeds	450,000
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Facility Maintenance Management Plan

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides funding for a building and infrastructure condition assessment of new and aging City of Tempe facilities. The assessment will aid in the development of a maintenance management master plan that will establish an inventory of public facility maintenance needs, and communicate and prioritize a list of identified building repairs to responsible departments. The plan will also track building functionality, safety and integrity.

2008-09 Source of Funds

Rio East Land Sale Proceeds	125,000
Transit Fund	125,000

HVAC Equipment Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the replacement of air conditioning equipment and systems in City facilities.

2008-09 Source of Funds

Capital Improvements Reserve	60,000
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Roof Maintenance Program

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the repair and maintenance of City facility roofing.

2008-09 Source of Funds

Capital Improvements Reserve	60,000
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Westside Community Center Roof Repair

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will replace the roof at the City's Westside Community Center.

2008-09 Source of Funds

Rio East Land Sale Proceeds	196,000
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Energy Upgrade and Retrofit

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This ongoing project provides for replacement of substandard and inefficient lighting systems in City buildings.

2008-09 Source of Funds

Capital Improvements Reserve	32,000
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General Governmental Program Project Descriptions (continued)

Microbial Remediation (Mold, Asbestos Removal)

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

The scope of this project entails the acquisition of adequate resources to fund and conduct microbial assessments and remediation, and mold and asbestos removal in City facilities as required by state and federal environmental regulations.

2008-09 Source of Funds

Rio East Land Sale Proceeds	30,000
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Irrigation - Capital Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides a recurring funding source to replace and repair irrigation lines due to normal operation and / or that have exceeded their useful life.

2008-09 Source of Funds

Capital Improvements Reserve	275,000
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Transportation & R.O.W. Improvements Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Program
Street Microsurfacing	\$1,190,650	\$1,500,000	\$1,650,000	\$1,815,000	\$1,633,500	\$7,789,150
Residential Street Surface Treatments	877,400	1,237,500	1,361,250	1,497,375	1,647,113	6,620,638
Asphalt Mill and Overlay	1,058,122	1,163,934	1,280,328	1,300,000	1,365,000	6,167,384
Neighborhood Street Rehabilitation	786,500	865,150	951,665	1,046,832	1,151,515	4,801,662
Intersection Reconstruction	726,000	798,600	878,460	966,306	1,062,937	4,432,303
Baseline Bridge Replacement Over Western Canal	4,000,000					4,000,000
Minor Concrete Improvements	475,829	523,415	575,757	633,333	696,666	2,905,000
Street Reconstruction and Improvements	459,729	477,628	525,391	625,000	718,750	2,806,498
Bridge Maintenance	200,000	250,000	250,000	300,000	300,000	1,300,000
Neighborhood Transportation Management	200,000	200,000	200,000	200,000	200,000	1,000,000
City Facilities Parking Lots	33,146	42,000	46,200	50,820	55,902	228,068
Graffiti Removal	200,000					200,000
Minor Alley Improvements and Dust Control	29,000	29,000	29,000	29,000	33,350	149,350
Transportation & R.O.W. Improvements						
Program Total	\$10,236,376	\$7,087,227	\$7,748,051	\$8,463,666	\$8,864,733	\$42,400,053



Alley improvements in progress



Transportation & R.O.W. Improvements Program Projects by Funding Source

	Funded		Additional Needs			5-Year
Project Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
Funding Source:						
General Obligation Bonds						
Street Microsurfacing	\$1,190,650	\$1,500,000	\$1,650,000	\$1,815,000	\$1,633,500	\$7,789,150
Residential Street Surface Treatments	877,400	1,237,500	1,361,250	1,497,375	1,647,113	6,620,638
Asphalt Mill and Overlay	1,058,122	1,163,934	1,280,328	1,300,000	1,365,000	6,167,384
Neighborhood Street Rehabilitation	786,500	865,150	951,665	1,046,832	1,151,515	4,801,662
Intersection Reconstruction	726,000	798,600	878,460	966,306	1,062,937	4,432,303
Baseline Bridge Replacement Over Western Canal	3,000,000					3,000,000
Minor Concrete Improvements	475,829	523,415	575,757	633,333	696,666	2,905,000
Street Reconstruction and Improvements	459,729	477,628	525,391	625,000	718,750	2,806,498
Bridge Maintenance		250,000	250,000	300,000	300,000	1,100,000
Neighborhood Transportation Management	200,000	200,000	200,000	200,000	200,000	1,000,000
City Facilities Parking Lots	33,146	42,000	46,200	50,820	55,902	228,068
Minor Alley Improvements and Dust Control	29,000	29,000	29,000	29,000	33,350	149,350
Subtotal	8,836,376	7,087,227	7,748,051	8,463,666	8,864,733	41,000,053
Funding Source:						
LTAF Fund Balance						
Baseline Bridge Replacement Over Western Canal	1,000,000					1,000,000
Funding Source:						
Capital Projects Fund Balance						
Bridge Maintenance	200,000					200,000
Funding Source:						
Rio East Land Sale Proceeds						
Graffiti Removal	115,000					115,000
Funding Source:						
Racketeer Influenced and Corrupt Organizations Act (RICO) Funds						
Graffiti Removal	85,000					85,000
Transportation & R.O.W. Improvements						
Program Total	\$10,236,376	\$7,087,227	\$7,748,051	\$8,463,666	\$8,864,733	\$42,400,053



Transportation & R.O.W. Improvements Program Project Descriptions

Street Microsurfacing

Related Strategic Issue: Transportation, Housing and Environment

This project provides ongoing preventive maintenance and resurfacing of major arterial and collector streets throughout the city in accordance with the City's pavement management program. Without routine maintenance, the arterial street network in the City will decline at a rapid rate.

2008-09 Source of Funds
General Obligation Bonds 1,190,650

Residential Street Surface Treatments

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will provide the ongoing preventative maintenance (slurry seal) of local / residential streets throughout the City in accordance with the City's pavement management program.

2008-09 Source of Funds
General Obligation Bonds 877,400

Asphalt Mill and Overlay

Related Strategic Issue: Transportation, Housing and Environment

This project provides for localized reconstruction and resurfacing of the arterial street system in the City. The majority of the arterial roadways in the City have undergone a number of preventative maintenance applications since originally constructed. The amount and type of traffic is approaching or has exceeded the design limit of some arterial streets. By overloading a roadway past its original design, rapid deterioration of the street will result. By resurfacing and rehabilitating the arterials, the strength and the durability of the roadway will greatly increase while the cost of maintaining the road for the next 10 years will decrease.

2008-09 Source of Funds
General Obligation Bonds 1,058,122

Neighborhood Street Rehabilitation

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the reconstruction, resurfacing, and / or rehabilitation of residential streets in Tempe neighborhoods. The City's preventive maintenance efforts over the years have preserved the streets and kept them in very good condition. However, a growing number of residential streets are to the point that preventive maintenance is no longer effective or appropriate. This program allows for the annual rehabilitation of 6 miles of residential streets on average.

2008-09 Source of Funds
General Obligation Bonds 786,500

Intersection Reconstruction

Related Strategic Issue: Transportation, Housing and Environment

This project provides for the reconstruction, resurfacing, and rehabilitation of intersections throughout the City that have been determined to be unsafe for both pedestrian and vehicular traffic. The project will explore additional pavement alternatives such as portland cement concrete and other additives that will improve the structural integrity of the intersections. The requested funding will address approximately three intersections per year.

2008-09 Source of Funds
General Obligation Bonds 726,600

Baseline Bridge Replacement Over Western Canal

Related Strategic Issue: Transportation, Housing and Environment

This project will replace the existing Baseline Bridge over the Western Canal. This bridge was inspected and found to be at the limit of its capacity.

2008-09 Source of Funds
General Obligation Bonds 3,000,000
LTAF Fund Balance 1,000,000

Minor Concrete Improvements

Related Strategic Issue: Transportation, Housing and Environment

This project provides for emergency repair and replacement and new construction of curbs, gutters, and sidewalks throughout the City to improve the continuity of the infrastructure and to improve accessibility and mobility for pedestrians in various areas.

2008-09 Source of Funds
General Obligation Bonds 475,829



Transportation & R.O.W. Improvements Program Project Descriptions (continued)

Street Reconstruction and Improvements

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the reconstruction, resurfacing, and rehabilitation of isolated and / or small groups of streets that have exceeded their design life or that were never part of the City's street system. Streets and / or public rights-of-way in this category include streets that were acquired through the annexation process throughout the years, and streets / rights-of-way that have never been constructed to City standards.

2008-09 Source of Funds

General Obligation Bonds 459,729

Bridge Maintenance

Related Strategic Issue: Transportation, Housing and Environment

This project provides for repair and maintenance of bridges located throughout the City. Federal law mandates the inspection of all bridges in the country every two (2) years. The Arizona Department of Transportation (ADOT) inspects Tempe's bridges and submits a report to the City for required repairs and maintenance. The report identifies specific repairs and maintenance required and quantifies the estimated cost to make the repairs. The City updates these costs for construction inflation and determines current costs. The scope of work includes replacement of damaged joints, joint seals and diaphragms, cleaning debris out of the joints to allow them to function properly, posting of vertical clearance signs, repair of damaged structural members and guards, replacement of missing bolts and nuts from railings, correction of settlement and subsidence at abutments and miscellaneous other items. This is done to assure that the bridges are safe and in good repair.

2008-09 Source of Funds

Capital Projects Fund Balance 200,000

Neighborhood Transportation Management

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will provide the Transportation Division with resources to strengthen its ability to address neighborhood traffic concerns, such as the installation of traffic calming devices, including speed humps.

2008-09 Source of Funds

General Obligation Bonds 200,000

City Facilities Parking Lots

Related Strategic Issue: Transportation, Housing and Environment

This project will provide for the sealing, resurfacing and reconstruction of City parking lots in accordance with the City's pavement management program.

2008-09 Source of Funds

General Obligation Bonds 33,146

Graffiti Removal

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will upgrade the City's current graffiti removal equipment with the addition of a specialized graffiti truck and two pick up trucks equipped with sprayers, pressure washers and other equipment and materials. The new resources will allow city forces to improve response time and the quality of the removal process when addressing graffiti vandalism.

2008-09 Source of Funds

Rio East Land Sale Proceeds 115,000

RICO Funds 85,000

Minor Alley Improvements and Dust Control

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project will provide for the improvement of dust control on minor streets and alleys throughout the City, including paving unpaved streets or upgrading substandard minor streets to City standards. The paving of these streets and dust control in the alleys will assist the City in meeting its air quality standard requirements. Alleys that have been improved provide an environment that allows the solid waste personnel to complete their duties safely and quickly as well as encourage residents to take ownership of their alley and increase neighborhood pride.

2008-09 Source of Funds

General Obligation Bonds 29,000



Traffic Signals/Street Lighting Program Projects by Total Project Cost

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
New Signals / Modular Upgrade	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$3,000,000
Utility Undergrounding	300,000	325,000	325,000	350,000	350,000	1,650,000
Street Light Upgrades / New Installation	300,000	300,000	300,000	300,000	300,000	1,500,000
Street Light Pole Structural Replacement	300,000	300,000	300,000	300,000	300,000	1,500,000
Video Traffic Detection			424,319			424,319
Design & Install Fiber Optic Communications					346,469	346,469
Install Wireless Communications & CCTV Monitoring at 26 Locations			312,000			312,000
Purchase and Install MMU Units in all Traffic Cabinets		203,348				203,348
Installation of Pedestrian ITS Devices	25,000	25,000	25,000	25,000	25,000	125,000
First Street Relocation and Alignment Study	100,000					100,000
Traffic Signals/Street Lighting						
Program Total	\$1,625,000	\$1,753,348	\$2,286,319	\$1,575,000	\$1,921,469	\$9,161,136



Traffic Signals/Street Lighting Program Projects by Total Project Cost (continued)

Project Description	Funded		Additional Needs			5-Year
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Program
<i>Funding Source:</i>						
<i>General Obligation Bonds</i>						
New Signals/Modular Upgrade	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$3,000,000
Utility Undergrounding	300,000	325,000	325,000	350,000	350,000	1,650,000
Street Light Upgrades / New Installation	130,000	300,000	300,000	300,000	300,000	1,330,000
Street Light Pole Structural Replacement	300,000	300,000	300,000	300,000	300,000	1,500,000
Video Traffic Detection			118,751			118,751
Design & Install Fiber Optic Communications					103,941	103,941
Install Wireless Communications & CCTV Monitoring at 26 Locations			93,600			93,600
Purchase and Install MMU Units in all Traffic Cabinets		67,398				67,398
Installation of Pedestrian ITS Devices	25,000	25,000	25,000	25,000	25,000	125,000
<i>Subtotal</i>	1,355,000	1,617,398	1,762,351	1,575,000	1,678,941	7,988,690
<i>Funding Source: Federal Grants</i>						
Video Traffic Detection			305,568			305,568
Design & Install Fiber Optic Communications					242,528	242,528
Install Wireless Communications & CCTV Monitoring at 26 Locations			218,400			218,400
Purchase and Install MMU Units in all Traffic Cabinets		135,950				135,950
<i>Subtotal</i>	0	135,950	523,968	0	242,528	902,446
<i>Funding Source:</i>						
<i>Capital Projects Fund Balance</i>						
Street Light Upgrades / New Installation	170,000					170,000
<i>Funding Source:</i>						
<i>Rio East Land Sale Proceeds</i>						
First Street Relocation and Alignment Feasibility Study	100,000					100,000
Traffic Signals/Street Lighting						
Program Total	\$1,625,000	\$1,753,348	\$2,286,319	\$1,575,000	\$1,921,469	\$9,161,136



Traffic Signals/Street Lighting Program Project Descriptions

New Signals / Modular Upgrade

Related Strategic Issue: Transportation, Housing and Environment

This project provides for the installation of new traffic signals and the replacement of existing outdated signals as warranted by traffic engineering studies.

2008-09 Source of Funds
General Obligation Bonds 600,000

Utility Undergrounding

Related Strategic Issue: Transportation, Housing and Environment

This project will provide for the undergrounding of overhead utility lines. Tempe City Code requires the undergrounding of all new and existing utility lines in conjunction with a development / redevelopment project. However, in established residential areas, the possibility of undergrounding being done by others (or developers) is unlikely. Therefore, the City budgets for the undergrounding of these areas to provide a more reliable power source as well as aesthetics.

2008-09 Source of Funds
General Obligation Bonds 300,000

Street Light Upgrades / New Installation

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

This project provides for the installation of new street lights at various locations as well as the upgrading of street lights from mercury vapor luminaires to high pressure luminaires. A typical year's program would include installation of 100 new arterial street lights and 25 mid-block residential lights.

2008-09 Source of Funds
General Obligation Bonds 130,000
Capital Projects Fund Balance 170,000

Street Light Pole Structural Replacement

Related Strategic Issue: Public Safety and Neighborhood Quality of Life

The project will fund the replacement of all rusted direct buried street light poles to meet current street light pole foundation standards. It is estimated that there may be 3,000 rusted street light poles in the City's inventory which may increase because of corrosion over the next ten years.

2008-09 Source of Funds
General Obligation Bonds 300,000

Video Traffic Detection

Related Strategic Issue: Transportation, Housing and Environment

This project will utilize video detection and Closed Circuit Television (CCTV) monitoring at arterial traffic signals to obtain real-time, 24 hours per day, 7 days per week turning movement count data. Utilizing the video detection equipment will also assist in better managing arterial operations due to the video that is provided by the video detection device. The City will be able to adjust traffic signal timing through centralized command and control strategies designed to help relieve or minimize congestion.

2008-09 Source of Funds
N/A

Design and Install Fiber Optic Communications

Related Strategic Issue: Transportation, Housing and Environment

This project provides for the development of a communications strategic plan and installation of fiber optic communications along various City roadway corridors. The fiber optic lines will tie into Arizona Department of Transportation (ADOT) fiber optic infrastructure as the communications media for command and control operations. The City will be able to monitor and adjust traffic signal timing through centralized command and control strategies designed to help both ADOT and other municipal agencies relieve or minimize congestion.

2008-09 Source of Funds
N/A

Install Wireless Communications and CCTV Monitoring at 26 Locations

Related Strategic Issue: Transportation, Housing and Environment

This project will install wireless communications media for command and control operations and closed circuit television monitoring (CCTV) at traffic signals. Utilizing this city infrastructure will increase communications bandwidth at traffic signals and eliminate the need for existing and new leased telephone service to the intersections.

2008-09 Source of Funds
N/A

Traffic Signals/Street Lighting Program Project Descriptions

Purchase and Install MMU Units in all Traffic Cabinets

Related Strategic Issue: Transportation, Housing and Environment

This project will allow Tempe to replace its aging malfunction management unit (MMU) inventory with upgraded MMUs. The upgraded MMUs will provide the City's signal technicians with enhanced diagnostic tools to troubleshoot intersection malfunctions. These enhanced capabilities will facilitate increased intersection reliability and ultimately provide for safer traffic control operations.

2008-09 Source of Funds

N/A

Installation of Pedestrian ITS Devices

Related Strategic Issue: Transportation, Housing and Environment

The purpose of this project is to convert existing or install new accessible pedestrian devices at traffic signal controlled intersections. This project is a step toward complying with the Americans with Disabilities Act (ADA) and provides an essential public service for Tempe residents. Examples of these devices include, but are not limited to, pedestrian crosswalk push buttons, pedestrian countdown signal heads, audible pedestrian technologies and machine vision detections. These devices provide audible, vibro-tactile and visual information for pedestrians with limited or no hearing or sight. It improves personal safety as pedestrians navigate Tempe streets.

2008-09 Source of Funds

General Obligation Bonds 25,000

First Street Relocation and Alignment Feasibility Study

Related Strategic Issue: Transportation, Housing and Environment

This project will initiate a feasibility analysis and preliminary engineering study to review the realignment of First Street between Farmer Avenue and Ash Avenue. Realignment would provide an alternate route of travel and serve the increased development that is planned for the area.

2008-09 Source of Funds

Rio East Land Sale Proceeds 100,000



Traffic signal under construction



Capital Budget Policy Statement

- Estimated costs, potential revenue and funding sources shall be identified prior to any project being submitted for Council approval. A department which anticipates a capital project exceeding its adopted budget shall submit a plan to Council addressing the issue for its prior approval.
- A five-year capital improvements program, as required by City Charter, will be developed and updated annually including anticipated funding sources. In addition, a prior year capital project status report shall be presented to the Council for information purposes when the capital improvement budget is considered.
- The annual operating budget will provide for the adequate maintenance and the orderly replacement of the capital plant and equipment from current revenue where possible.
- Capital improvement operating budget impacts will be coordinated with the development of the Operating Budget. Future operating, maintenance, and replacement costs will be forecast as part of the City's annual long range financial capacity study.
- The City may provide for internal, pay-as-you go financing for its capital improvement program. Funding may come from fund balance reserves or any other acceptable means of funding.

Debt Policy Statement

- Debt will only be used to finance long term capital improvements and not be used to finance recurring operating expenses.
- In accordance with state law, the total value of General Obligation bonds issued for the purposes of water, wastewater, artificial light, open space preserves, parks, playgrounds, and recreational facilities, public safety, law enforcement, fire and emergency services facilities, and streets and transportation facilities cannot exceed 20% of assessed valuation. The total value of General Obligation bonds issued for all other purposes other than those listed above cannot exceed 6% of assessed valuation.
- Debt term should match the useful life of the capital project funded.
- Debt service schedules will be based upon level annual principal and interest payments.
- Overlapping debt issue shall be included in the City's financial reports
- Authorized debt shall be limited as follows unless authorization is obtained from the City Council to exceed these limits
 - General obligation bonds shall follow the guidelines established in the Debt Management Plan
 - Excise tax bonds shall maintain revenue coverage limits of at least 3 times debt service
 - Improvement District bonds shall not exceed 5% of the City's secondary assessed valuation
 - Short-term borrowing or lease/purchase contracts must be budgeted within the Operating Budget
- Benchmark ratios of per capita debt, debt service to operating revenue, and outstanding debt as a percent of full cash value will be updated regularly and incorporated into the Debt Management Plan.

Legal Bonded Debt Limits



Under Article 9, Section 8 of the Arizona State Constitution, cities may issue general obligation bonds for purposes of water, wastewater, artificial light, open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and streets and transportation facilities up to an amount not exceeding 20% of the secondary assessed value.

Cities may also issue general obligation bonds for all other purposes not included in the 20% Debt Margin category up to an amount not exceeding 6% of the secondary assessed value. Bonds issued under either the 20% or 6% limit are subject to authorization by a majority vote at a city bond election.

	FY 2008-09	
	6%	20%
Bond Limit ⁽¹⁾	\$159,416,892	\$531,389,639
Outstanding Bonded Debt-Previously Issued	(1,395,000)	(406,200,000)
Proposed Bonds to be Sold in FY 2008-09		
Water/Wastewater		63,594,000
Storm Drains		250,000
Park Improvements		9,928,875
Public Safety/Law Enforcement		14,498,003
Fire and Emergency Services		5,312,020
Transportation		17,754,376
All Others	4,115,133	
Debt Margin Available	\$153,906,759	\$13,852,365

⁽¹⁾ The FY 2008-09 Bond Limit is based upon an estimated secondary assessed value of \$2,656,948,194, compared to the FY 2007-08 secondary assessed value of \$2,387,851,345.

Long Term Debt Summary



General Obligation Voter Authorization	Original Authorization	Prior Issues	2008-09 Issue	Remaining Authorization
2002 Program				
Water / Wastewater	\$77,000,000	\$77,000,000		\$0
Police Protection	31,500,000	31,000,000	500,000	0
Fire Protection	6,000,000	3,455,000	2,545,000	0
Park Improvements	12,000,000	12,000,000		0
Streets / Transportation	31,500,000	21,745,000	9,755,000	0
Sub Total	158,000,000	145,200,000	12,800,000	0
2006 Program				
Water/Wastewater	172,000,000	172,000,000		0
Police Protection	14,000,000		14,000,000	0
Fire Protection	2,500,000		2,500,000	0
Community Services / Park Improvements / Library	14,000,000	5,900,000	8,100,000	0
Streets / Transportation	8,000,000		8,000,000	0
Sub Total	210,500,000	177,900,000	32,600,000	0
TOTAL	\$368,500,000	\$323,100,000	\$45,400,000	\$0

Long-Term Debt Outstanding	July 1			
	2005	2006	2007	2008
General Obligation Bonds				
Water / Wastewater	\$137,390,000	\$180,935,000	\$243,265,000	\$282,520,000
Police Protection	7,205,000	27,625,000	29,255,000	32,085,000
Fire Protection	10,515,000	9,685,000	8,855,000	8,695,000
Storm Drains	4,110,000	4,180,000	3,970,000	3,775,000
Park Improvements	25,940,000	25,535,000	25,665,000	27,575,000
Library/Museum	130,000	115,000	1,455,000	1,395,000
Streets / Transportation	51,980,000	50,470,000	47,300,000	51,550,000
Total G.O. Debt Outstanding	237,270,000	298,545,000	359,765,000	407,595,000
Tempe Municipal Property Corp. Bonds				
Golf Course Improvements	275,000	140,000		0
Total Tempe Municipal Property Debt	275,000	140,000	0	0
Tempe Sports Authority Corp. Bonds / COP				
Certificates of Participation (COP)	2,320,000	1,780,000	1,220,000	625,000
Total Tempe Sports Authority Corp. Bonds/COP	2,320,000	1,780,000	1,220,000	625,000
Total Performing Arts Excise Tax Bonds	36,095,000	56,665,000	53,235,000	49,680,000
Total Transit Excise Tax Bonds	0	60,675,000	109,785,000	138,065,000
Total Rio Salado Excise Tax Bonds	36,570,000	35,175,000	33,810,000	32,320,000
Total Governmental Excise Tax Bonds	25,125,000	24,535,000	23,975,000	23,390,000
Total Cemetery Enterprise Bonds	2,305,000	2,210,000	2,130,000	2,050,000
Total Long-Term Outstanding Debt	\$339,960,000	\$479,725,000	\$583,920,000	\$653,725,000

Capital Budget, Debt Service and Property Tax Rate: Ten Year Historical Trends



Fiscal Year	Budgeted Capital Improvements Program	Outstanding Principal Debt	Debt Service Requirements P & I	Net Secondary Assessed Value	% Change in Secondary Assessed Valuation	Property Tax Rate (\$)		
						Primary	Secondary	Total
1999-00	\$85,587,326	\$197,735,000	\$31,836,932	\$1,240,471,800	12.9%	\$0.55	\$0.85	\$1.40
2000-01	67,408,152	200,805,000	29,772,986	1,356,429,397	9.3	0.54	0.81	1.35
2001-02	85,541,430	205,950,000	26,675,235	1,456,361,617	7.4	0.53	0.82	1.35
2002-03	95,318,794	252,480,000	23,996,164	1,556,492,294	6.9	0.52	0.83	1.35
2003-04	117,968,707	280,525,000	27,243,978	1,688,452,415	8.5	0.55	0.80	1.35
2004-05	177,118,222	339,960,000	27,696,707	1,768,877,385	4.8	0.53	0.82	1.35
2005-06	189,971,703	479,725,000	33,130,557	1,904,426,188	7.7	0.52	0.88	1.40
2006-07	196,728,491	583,920,000	44,109,610	2,006,703,332	5.4	0.52	0.88	1.40
2007-08	212,706,469	653,725,000	53,003,693	2,387,851,345	19.7	0.51	0.89	1.40
2008-09	168,033,325	765,142,984	72,100,332	2,656,948,194	11.3	0.51	0.89	1.40

Summary:

- (1) Outstanding Principal Debt includes all forms of City debt, including general obligation, excise, and enterprise supported debt.
- (2) The increase in the budgeted CIP from \$118 million in FY 2003-04 to \$177.2 million in FY 2004-05 was due primarily to the construction of the Tempe Center for the Arts in the Special Purpose Capital Program and inclusion of light-rail construction within the Transit program. The decrease from FY 2007-08 to 2008-09 is largely attributable to a marked reduction in spending in the Transit Program due to the December 2008 completion of the light rail project. In general, an expanded Water / Wastewater capital program and renovations to the neighborhood parks system are contributing to year over year program growth. The increase in outstanding principal is due to an increasing utilization of bonded debt in the Capital Budget.

Debt Service Appropriations by Fund

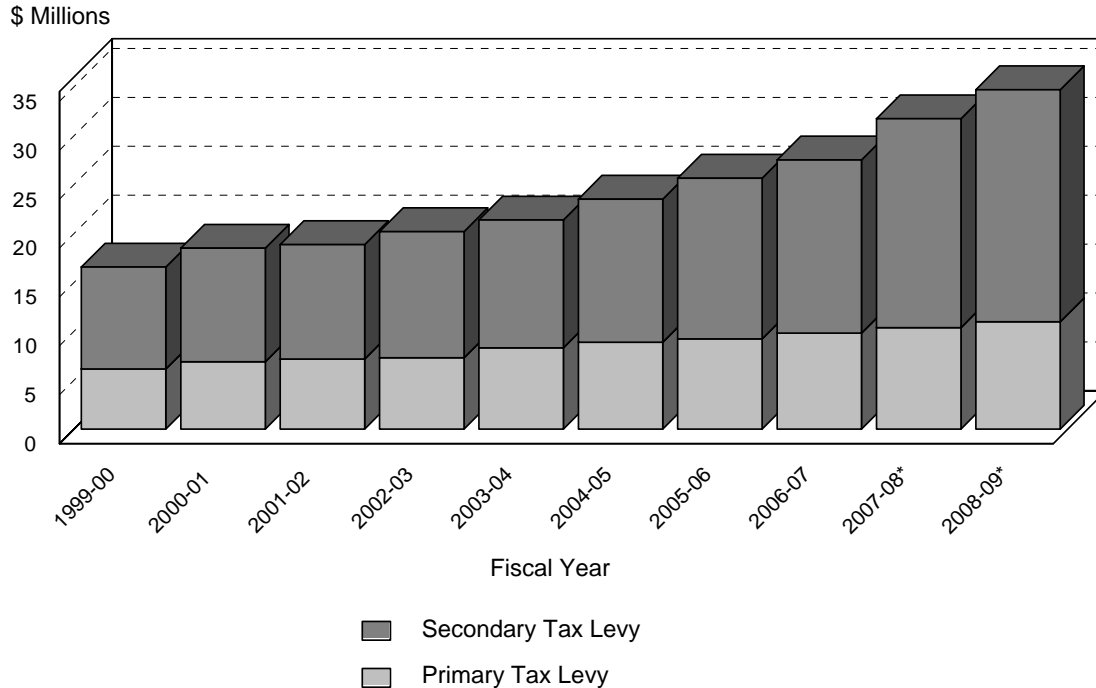
	FY 2008-09			
	Principal	Interest	Fiscal Agent Fees	Total
Debt Service Fund	\$13,788,580	\$9,061,989	\$330,000	\$23,180,569
Transit Fund	2,764,231	6,270,863	600,000	9,635,094
Water/Wastewater Fund	17,881,377	14,607,116	550,000	33,038,493
Golf Fund	6,176	6,136	2,000	14,312
Performing Arts Fund	3,700,000	2,312,726	40,000	6,052,726
Cemetery Fund	85,000	94,138		179,138
Total	\$38,225,364	\$32,352,968	\$1,522,000	\$72,100,332

Property Taxes



Beginning with FY 1980-81, property taxes were divided into two distinct levies, primary and secondary. The primary tax levy may be imposed for any type of municipal expenditure while the secondary tax levy may only be used to retire principal and interest charges on bonded indebtedness.

Primary levy increases are restricted by state statute. However, secondary levy increases are "unlimited" in that they may be increased to the level necessary to retire bonded indebtedness. In FY 2005-06, the City raised the levy rate to \$1.40 per \$100 of assessed valuation to increase debt capacity for capital improvement projects. The rate is unchanged in the FY 2008-09 budget.



Fiscal Year	Primary Tax Levy	Secondary Tax Levy	Total	Tax Rate/ \$100 Assessed Value
1999-00	\$6,145,600	\$10,416,336	\$16,561,936	\$1.35
2000-01	6,879,783	11,615,100	18,414,400	1.35
2001-02	7,169,352	11,695,228	18,864,580	1.35
2002-03	7,291,549	12,897,095	20,188,644	1.35
2003-04	8,313,398	13,059,814	21,373,212	1.35
2004-05	8,878,734	14,631,500	23,510,234	1.35
2005-06	9,287,702	16,430,588	25,718,190	1.40
2006-07	9,822,845	17,693,103	27,515,948	1.40
2007-08*	10,371,221	21,364,887	31,736,108	1.40
2008-09*	10,976,100	23,726,547	34,702,647	1.40

* Amounts reflect estimated receipts



Total Operating Budget and Debt Service

Budget Data	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Revised	FY 2008-09 Budget
Operating Budget	\$289,832,989	\$355,286,702	\$330,940,558	\$373,258,914
Cost Per Capita	\$1,739	\$2,122	\$1,976	\$2,213
% Change (cost per capita)		22%	(6.9%)	12%
Property Tax-Supported Debt Service	\$29,674,024	\$17,513,497	\$15,556,608	\$23,180,569
Cost Per Capita	\$178	\$105	\$93	\$137
% Change (cost per capita)		(41%)	(11.4%)	47.3%

Total Operating Revenue by Source

Source	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Revised	FY 2008-09 Budget
General Fund	\$171,722,073	\$179,417,531	\$172,556,746	\$184,199,860
Debt Service Fund	17,412,445	22,252,163	22,127,214	24,613,823
Transportation/Transit Funds	59,096,623	57,678,474	56,019,850	67,122,473
CDBG/Section 8 Funds	12,659,330	11,016,572	11,041,465	11,026,195
Rio Salado Fund	1,471,797	1,358,770	1,533,254	1,550,804
Performing Arts Fund	7,700,289	8,077,567	7,698,665	7,596,956
Enterprise Funds	65,734,848	67,359,772	67,653,668	70,555,646
Total	\$335,783,788	\$347,160,849	\$338,630,862	\$366,665,757

Staffing Summaries Citywide: Full-Time Authorized Positions

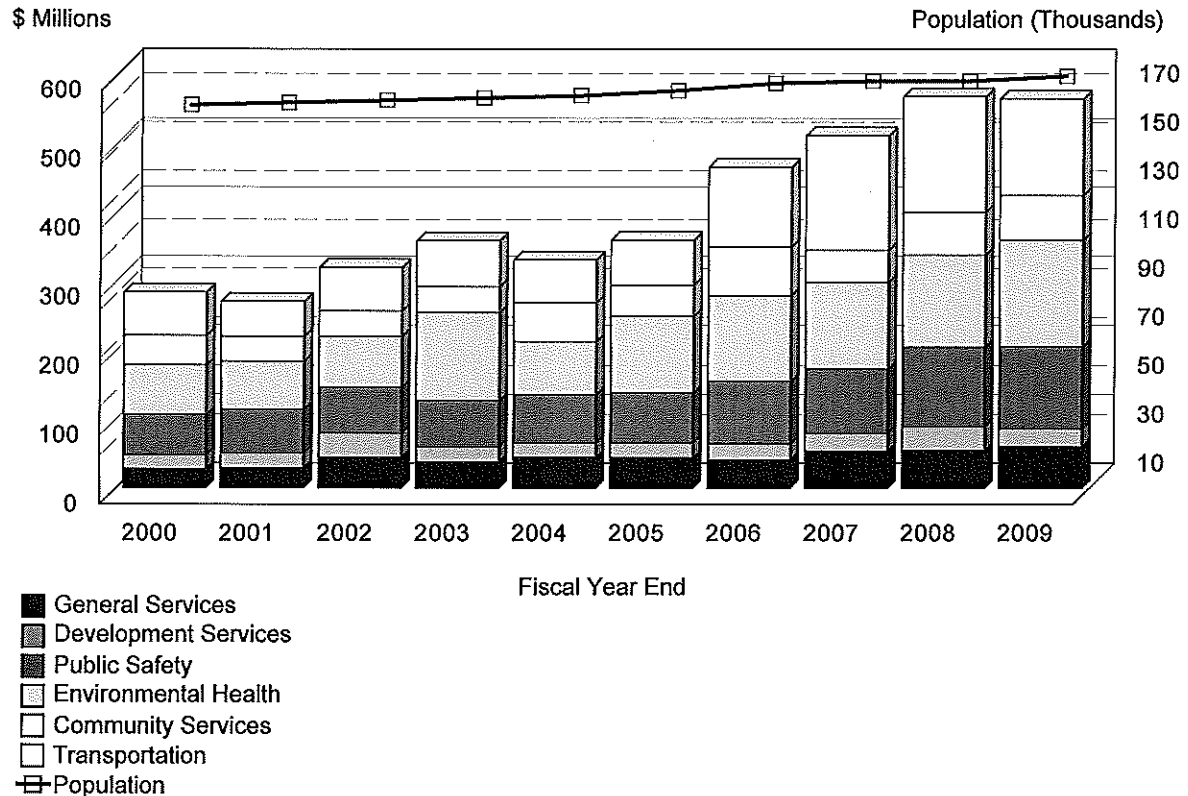
Source	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Revised	FY 2008-09 Budget
Total Personnel	1,734	1,782	1,831	1,849
Employees/1,000 Population	10.4	10.6	10.9	11.0
% Change (Employees/1,000 Population)		1.9%	2.8%	0.9%

Program Budget at a Glance



The City's Total Financial Program consists of six major areas: (1) General Services, (2) Development Services, (3) Public Safety, (4) Environmental Health, (5) Community Services, and (6) Transportation.

For FY 2008-09, Environmental Health constitutes the largest share with 27% of total program expenditures. This reflects funding for plant capacity expansions and water and wastewater facilities. The fastest growing part of the City's Financial Program is Transportation which represents 25% of the budget. This trend furthers the commitment to complete the transit light rail project and continued funding for new fixed route and neighborhood circulator buses.



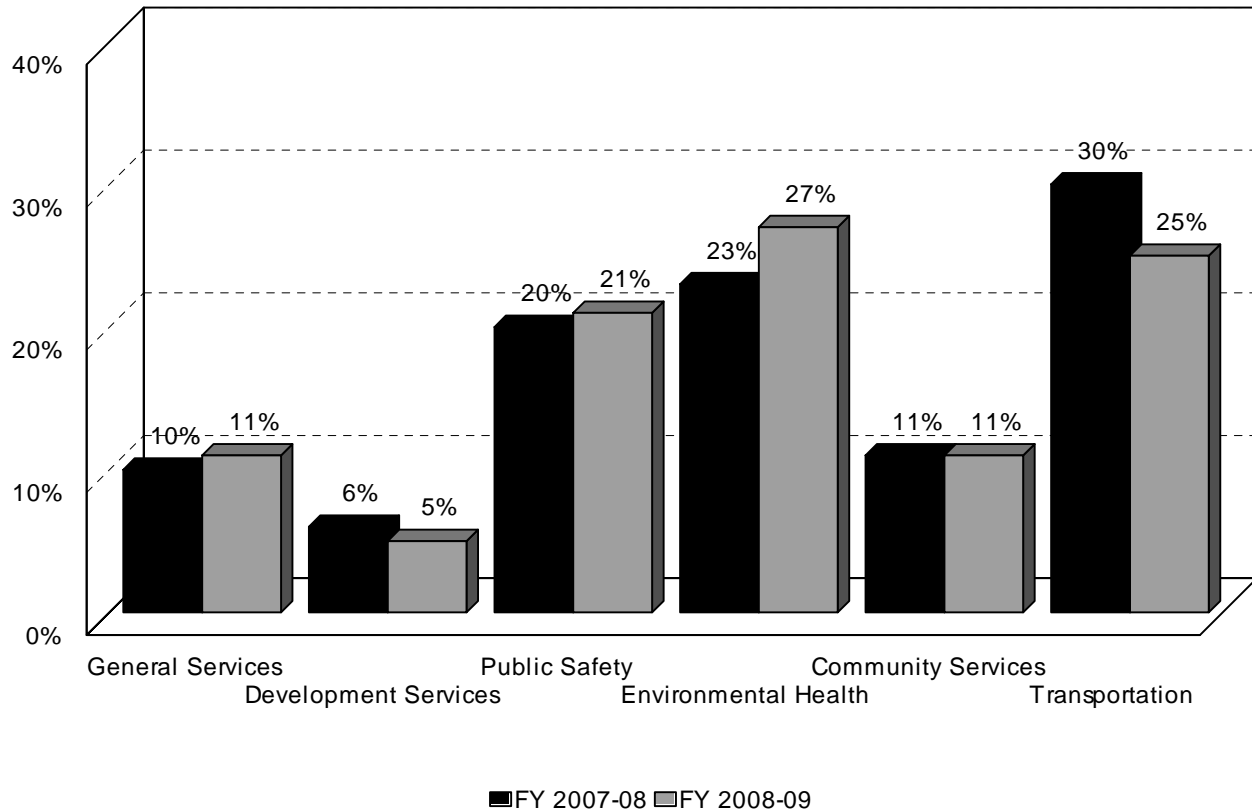
Program (Thousands)	FYE 00	FYE 01	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06	FYE 07	FYE 08	FYE 09
General Services	\$27,024	\$28,427	\$44,517	\$37,819	\$44,547	\$43,779	\$40,785	\$53,773	\$54,462	\$59,380
Development Services	20,483	21,842	35,036	21,958	20,287	21,659	23,454	25,767	34,719	26,254
Public Safety	58,040	63,479	66,277	66,618	70,515	72,421	89,998	92,868	115,092	119,006
Environmental Health	72,022	69,586	73,406	127,686	76,678	110,865	124,395	125,421	133,574	154,684
Community Services	43,320	36,232	37,070	37,544	56,500	45,126	70,547	46,713	61,942	64,572
Transportation	62,624	50,508	63,251	67,055	62,389	65,461	116,090	166,302	168,204	140,576
Total	\$283,513	\$270,074	\$319,557	\$358,680	\$330,916	\$359,311	\$465,269	\$510,844	\$567,993	\$564,472

Per Capita Expenditures by Program



In FY 2008-09, the total financial program per capita cost is \$3,347, representing a 1% decrease from FY 2007-08. In this fiscal year, for every \$1 of expenditure, 27¢ is earmarked for Environmental Health, 25¢ for Transportation, 21¢ for Public Safety and the remainder for General Services, Community Services, and Development Services. In relation to the prior year, there is a visible shift in relative spending between Environmental Health and Transportation. This is primarily due to one-time influences of non-routine capital spending.

Per Capita Spending by Program as a Percent of Total Spending



Per Capita Expenditures				
Program	FY 2007-08	Percentage of Total	FY 2008-09	Percentage of Total
General Services	\$325	10%	\$368	11%
Development Services	207	6%	167	5%
Public Safety	688	20%	703	21%
Environmental Health	798	23%	904	27%
Community Services	370	11%	368	11%
Transportation	1,004	30%	837	25%
Total Per Capita Expenditures	\$3,392	100%	\$3,347	100%

Program By Fund Summary



The majority of funding for the City's two largest program areas, Environmental Health and Transportation, comes from enterprise, special revenue, and capital revenues. In terms of General Fund revenue, the Public Safety program receives the majority of funding.

FY 2008-09							
Fund	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
General	\$33,693,824	\$12,913,693	\$107,432,947		\$31,252,481	\$1,035,000	\$186,327,945
Rio Salado		1,979,515			488,313		2,467,828
HURF	Public Safety represents the largest program in the General Fund.			114,649		11,004,805	11,119,454
Transit						64,370,597	64,370,597
Debt Service	23,180,569						23,180,569
Performing Arts					8,965,354		8,965,354
Golf					2,108,511		2,108,511
Solid Waste				15,245,709			15,245,709
Water/Wastewater	397,478			70,844,540			71,242,018
CDBG/Section 8 Housing		11,026,195					11,026,195
Cemetery					385,303		385,303
Total Operating	57,271,871	25,919,403	107,432,947	86,204,898	43,199,962	76,410,402	396,439,483
Capital Improvements	2,108,000	335,000	11,573,269	68,479,000	21,372,174	64,165,882	168,033,325
TOTAL PROGRAM	\$59,379,871	\$26,254,403	\$119,006,216	\$154,683,898	\$64,572,136	\$140,576,284	\$564,472,808

Program By Department Summary



FY 2008-09							
Department	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
Mayor and Council	\$392,876						\$392,896
City Manager	336,240						336,240
Community Relations	2,987,173						2,987,173
City Clerk	824,487						824,487
City Court			4,516,196				4,516,196
Human Resources	3,296,547						3,296,547
City Attorney	3,637,971						3,637,971
Financial Services	4,643,787			2,168,067			6,811,854
Diversity Program	646,967		Public Works represents 100% of the total departmental Transportation program, while Police comprises 70% of the total Public Safety departmental program budget.				646,967
Internal Audit	510,867						510,867
Development Services		6,562,339					6,562,339
Community Development		16,606,158					16,606,158
Police			75,199,722				75,199,722
Fire			27,717,029				27,717,029
Community Services					16,967,362		16,967,362
Parks and Recreation		397,552			19,609,988		20,007,540
Water Utilities				34,637,980			34,637,980
Public Works	8,957,528	2,353,354		15,360,358		65,567,308	92,238,548
TOTAL DEPT	26,234,443	25,919,403	107,432,947	52,166,405	36,577,350	65,567,308	313,897,856
Non-Departmental	6,570,859					1,035,000	7,605,859
Debt Service	23,180,569			33,038,493	6,246,176	9,635,094	72,100,332
Contingency	1,286,000			1,000,000	376,436	173,000	2,835,436
TOTAL OPERATING	57,271,871	25,919,403	107,432,947	86,204,898	43,199,962	76,410,402	396,439,483
Capital Improvements	2,108,000	335,000	11,573,269	68,479,000	21,372,174	64,165,882	168,033,325
TOTAL PROGRAM	\$59,379,871	\$26,254,403	\$119,006,216	\$154,683,898	\$64,572,136	\$140,576,284	\$564,472,808

Impact of Total Budget on Residents



The City maintains three utility services for water, sewer, and solid waste. For FY 2008-09, the City Council has approved increases in water and sewer rates to be effective November 1, 2008. Solid waste rate increases have been approved for November 1 of two consecutive fiscal years, spanning FY 2008-09 and FY 2009-10. Rate reviews for each of the utility services will continue annually.

Local Taxes

Sales Tax

The City Sales Tax is currently 1.8%. Of this tax, 1.2% is dedicated to the General Fund, 0.5% goes to fund Transit, and 0.1% is devoted to the Visual and Performing Arts.

Property Tax

The property tax rate for FY 2008-09 will remain at \$1.40/\$100 assessed valuation. The primary tax rate is \$0.51 and the secondary tax rate is \$0.89. The primary levy is used to pay for General Fund services such as police, fire, parks, and libraries, while the secondary tax levy is used to repay debt on general obligation bonds.

Utility Charges for Services

Water/Sewer

Effective November 1, 2008, water rates will increase by 5.5%, and sewer rates will increase by 20.5%. Water and sewer rate adjustments are necessary to attain full cost recovery, as customer charges are based upon operating costs and financing of capital programs.

Solid Waste

Effective November 1, 2008, solid waste rates will change. The rate for residential services will increase by 5.0%, while the commercial services rate will increase by 3.0%. Per Council approval, in the fall of 2009, again the residential service rate will increase by 5.0%, while the commercial service charge will increase by 3.0%.

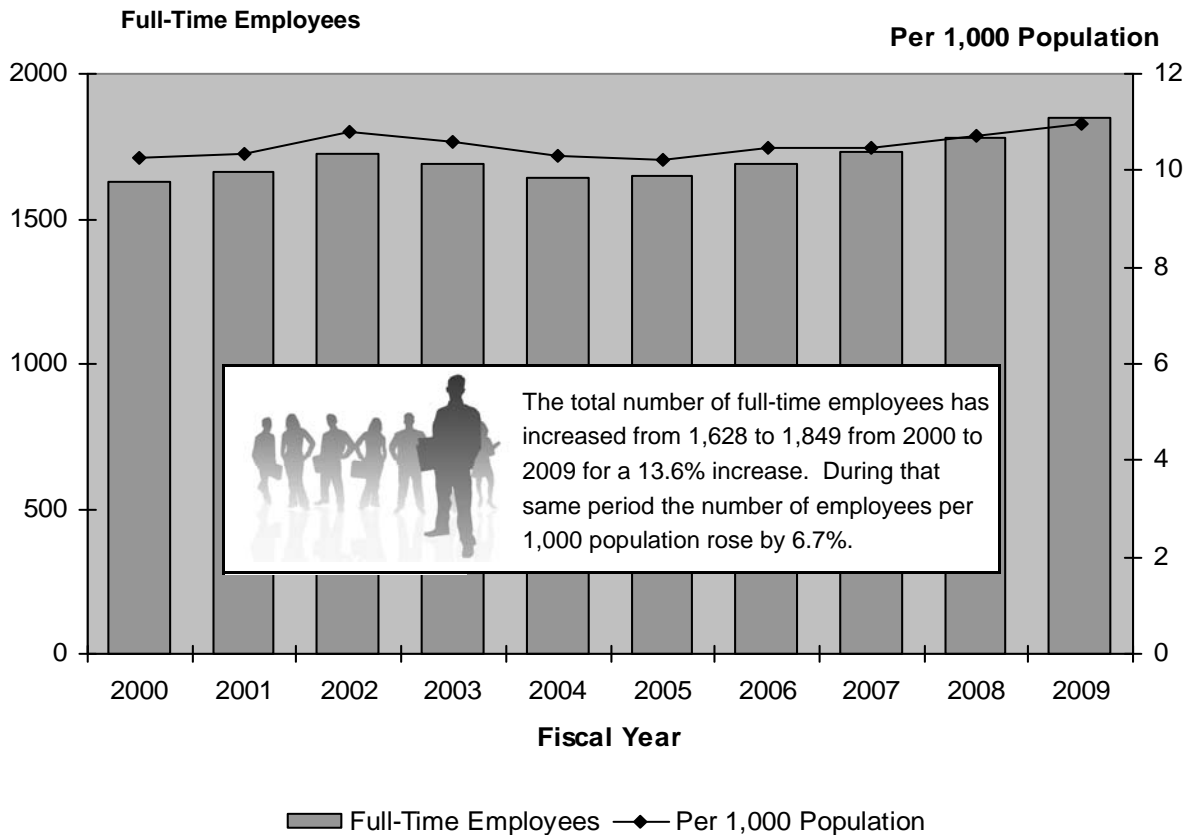
Fiscal Year	Local Taxes		Average Utility Charges for Services (monthly) ¹		
	Sales Tax	Property Tax	Water	Sewer	Solid Waste
2007-08	1.8%	\$1.40	\$23.99	\$15.44	\$17.41
2008-09	1.8%	\$1.40	\$25.09	\$16.47	\$18.11

¹ Charges reflect rates effective July 1

Personnel Summary: Ten Year History



The number of full-time employees for FY 2008-09, excluding full-time equivalents or temporary full-time equivalents, totals 1,849, a 0.9% increase from FY 2007-08. Total employees per 1,000 population for FY 2008-09 is estimated at 10.96, a 0.3% increase from the previous fiscal year. The increase in the number of personnel is primarily due to additional public safety personnel.



Fiscal Year End	Full-Time Employees	Employees Per 1,000 Population
2000	1,628	10.27
2001	1,661	10.36
2002	1,722	10.80
2003	1,692	10.61
2004	1,643	10.29
2005	1,645	10.10
2006	1,700	10.25
2007	1,734	10.40
2008	1,831	10.93
2009	1,849	10.96